



Annual Report

2019



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National Investment Trust *worthy*  
since 1993



# Contents



**3 Corporate Information**

**4 Notice of Meeting**

**5 Secretary's Certificate**

**6 Corporate Governance**

**18 Statutory Disclosures**

**19 Letter to Shareholders and Unit-Holders**

**25 National Investment Trust Ltd Financial Statements**

**29 Notes to the Financial Statements for the National Investment Trust Ltd**

**49 NIT Unit Trust Financial Statements**

**63 Notes to the Financial Statements for the NIT Unit Trust**

**95 Proxy Form Page**

# Corporate Information



**CHAIRMAN**  
Raj Ringadoo



**CHIEF EXECUTIVE OFFICER**  
Gaetan Wong To Wing

## **DIRECTORS**

Mazahir Adamjee (Appointed on 23 Nov. 05)



Veenay Rambarassah (Appointed on 16 Apr. 12)

Nikhil Treebhoohun (Appointed on 23 Aug. 13, Resigned on 4 Sep. 18)

Anjana Ramburuth (Appointed on 27 Apr. 17)

Amélie Vitry Audibert (Appointed on (4 Dec. 18)



**COMPANY SECRETARY**  
Ah Vee K. C. Li Chun Fong



**AUDITORS**  
Mazars Chartered Accountants,  
4th Floor, Unicorn Centre,  
Frère Félix de Valois Street, Port Louis



**BANKERS**  
SBM Bank (Mauritius) Ltd  
State Bank Tower 1, Queen Elizabeth II Avenue, Port Louis  
Barclays Bank Mauritius Ltd  
4th Floor Barclays House 68/68 A Cybercity, Ebène



## **SHARE REGISTRY & TRANSFER OFFICE**

If you are a shareholder and have inquiries regarding your account, wish to change your name or address, or have questions about lost share certificates, share transfers or dividends.

**Contact our Office:** Ground Floor, Newton Tower,  
Sir William Newton Street Port Louis



**REGISTERED OFFICE**  
Level 8, Newton Tower, Sir William Newton Street Port Louis  
BRN C10011104

The Company delivers only one copy of shareholder reports and proxy statements, to shareholders with multiple accounts at the same address. This practice is known as “householding” and is intended to eliminate duplicate mailings and reduce expenses. Mailings of your shareholder documents may be householded indefinitely unless you instruct us otherwise. If you do not want the mailing of these documents to be combined with those for other members of your household, please contact the Company on (230) 211 54 84.

# Notice of Meeting

Notice is hereby given that the Annual Meeting of National Investment Trust Ltd (the "Company") will be held at 10.30 a.m. on Tuesday 17th December 2019 at Centre Marie, Reine-de-la-Paix, Port Louis to transact the following business.

1. To approve the Minutes of Proceedings of the previous meeting of shareholders.
2. To receive and adopt the financial statements for the financial year ended 30 June 2019 and the report of the Directors and Auditors thereon.
3. To ratify the dividend declared by the Board of Directors and paid to all shareholders registered at the close of business on 17 October 2019.
4. To appoint Mr. Raj Ringadoo as director of the Company;
5. To appoint Mr. Mazahir Adamjee, who is over 70 years of age, as director of the Company;
6. To appoint Mrs. Anjana Ramburuth-Seesurn as director of the Company;
7. To appoint Ms. Amélie Vitry Audibert as director of the Company;
8. To appoint Mr. Veenay Rambarassah as director of the Company;
9. To reappoint Messrs Mazars as Auditors for the current year and to authorise the Board of Directors to fix their remuneration.
10. To transact such other business, if any, as may be transacted at an Annual Meeting.

By Order of the Board

**Ah Vee Li K. C. Chun Fong**

Company Secretary

22 November 2019

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## Notes:

1. A member of the Company entitled to attend and vote at this meeting may appoint a proxy (whether a member or not) to attend and vote on his behalf. The appointment of a proxy must be made in writing on a proxy form and deposited at the Registered Office of the Company, Level 8 Newton Tower, Sir William Newton Street, Port Louis not less than twenty-four hours before the meeting.
2. For the purpose of this Annual meeting, the Directors have resolved, in compliance with Section 120(3) of the Companies Act 2001, that the shareholders who are entitled to receive notice of the meeting and attend such meeting shall be those shareholders whose names are registered in the share register of the Company as at 22 November 2019.

*Dear Shareholder,*

I am pleased to present the Annual Report of the National Investment Trust Ltd for the year ended 30 June 2019.

This report was approved by the Board of Directors on 27 September 2019.

On behalf of the Board of Directors, I invite you to join us at the Annual Meeting of the Company on

**Date:** 17 December 2019

**Time:** 10:30 a.m

**Place:** Centre social Marie, Reine-de-la-Paix

Yours Faithfully,



**Gaetan Wong To Wing**  
Chief Executive Officer

## **Certificate from the Secretary**

### ***Under Section 166 (d) of the Companies Act 2001***

I certify that, to the best of my knowledge and belief, National Investment Trust Ltd (the "Company") has filed with the Registrar of Companies, all such returns as are required of the Company under the Mauritius Companies Act 2001 for the year ended 30 June 2019.



**Ah Vee K. C. Li Chun Fong**  
Company Secretary

27 September 2019

# Statement of Compliance

Compliance Statement  
(Section 75(3) of the Financial Reporting Act)

Reporting Period: 1 July 2018 to 30 June 2019

The National Investment Trust Ltd is a public interest entity and is required to adopt and report on Corporate Governance Principles in accordance with the National Code of Corporate Governance 2016) (the 'Code').

Throughout the year ended 30 June 2019, to the best of the Board's knowledge, the Company has complied with the Corporate Governance Code of Mauritius (2016) where applicable and, explained how these principles have been applied.



**Raj Ringdoo**  
Chairman



**Veenay Rambarassah**  
Director

27 September 2019

# Corporate Governance

## Shareholding Structure

The stated capital of the Company as at 30 June 2019 consisted of 27,405,000 ordinary shares of MUR 10 each.

### Main Shareholders

The largest shareholders of NIT Ltd at June 30, 2019 were as follows:



**National Pension Fund**  
22.3 %



**Pershing LLC**  
21.6 %



**Others**  
56.1 %

### Shareholding Profile

The share ownership and the categories of shareholders at June 30, 2019 are set out below:

No. of Shareholders	Size of Shareholding	No. of shares owned	% of Total Issued Shares
7202	1 - 10,000 shares	4,054,423	15
132	10,001 - 100,000 shares	3,843,846	14
32	> 100,000 shares	19,506,731	71
<b>7,366</b>		<b>27,405,000</b>	<b>100</b>

No. of Shareholders	Category of Shareholders	No. of Shares owned	% of Total Issued Shares
7,233	Individual	8,495,716	31
13	Insurance & Assurance Companies	1,308,318	5
16	Pension and Provident Funds	1,503,956	5
24	Investment and Trust Companies	7,121,128	26
79	Other Private Corporate Bodies	2,400,094	9
1	Other Public Sector	6,575,788	24
	Para Statal Bodies	-	
<b>7,366</b>		<b>27,405,000</b>	<b>100</b>

No. of Shareholders	Category of Shareholders	No. of shares owned	% of Total Issued Shares
7,346	Local	21,419,783	78
20	Foreign	5,985,217	22
<b>7,366</b>		<b>27,405,000</b>	<b>100</b>

### Share Price Information

At 30 June 2019, the share price of NIT Ltd was quoted at Rs 26.00 on the Official Market of the Stock Exchange of Mauritius.

Date	Price (Rs)	Yearly Change (%)
June 30,2019	26.00	2
June 30,2018	25.50	2
June 30, 2017	25.00	-

### Dividend Policy

The Company has no formal dividend policy. Dividend payments are determined by the profitability of the Company, its cash flow and its future investments.

A final dividend is declared on or about September each year.



Key dividend information over the past 3 years is shown below:

	2019	2018	2017
<b>Dividend per share (Rs)</b>	<b>1.10</b>	1.10	1.00
<b>Dividend cover (times)</b>	<b>0.3</b>	0.4	0.3
<b>Dividend yield (%)</b>	<b>4.2</b>	4.4	4.0

The final dividend of Rs 1.10 per ordinary share declared in respect of the financial year will be paid on or around 31 October 2019 to all ordinary shareholders registered at close of business on 17 October 2019.

## Shareholders' Agreement

There is currently no shareholders agreement.

## Management Agreement

There is no management agreement with third parties, except with the eight Funds under management namely, the NIT Local Equity Fund, NIT Global Opportunities Fund, NIT North America Fund, NIT Europe Fund, NIT Emerging Markets Fund, NIT Global Healthcare Fund, NIT Global Bond Fund and the NIT Global Value.

## Shareholders' Communication

The Company's Board of Directors places great importance on open and transparent communication with all shareholders. It endeavours to keep them regularly informed on matters affecting the Company by official press announcements, disclosures in the Annual Report and at Annual Meeting of Shareholders, which all Board members are requested to attend.

NIT's Annual Meeting provides an opportunity for shareholders to raise and discuss matters with the Board relating to the Company. Shareholders are encouraged to attend the Annual Meeting to remain informed of the Company's strategy and goals.

## Calendar of Forthcoming Events

<b>December 2019</b>	Annual Meeting of Shareholders
<b>15th February 2020</b>	Publication of half-year results to 31 December 2019
<b>15th May 2020</b>	Publication of third quarter results to 31 March 2020
<b>September 2020</b>	Publication of abridged end-of-year results to June 30 2020 & Declaration of dividend
<b>October 2020</b>	Payment of dividend

## Company's Registered Office

Since October 2009, the registered office of the Company is situated at Level 8 Newton Tower, Sir William Newton Street, Port Louis.

## Governance Framework

Good Governance is a fundamental part of the basic principles which have always been applied by the Company and forms an intrinsic part of its Corporate Policy. The Board views adherence to high standards of corporate governance as an essential condition to upholding its long-term business sustainability and creating value for the Company's stakeholders and society at large. In this respect, the Board has established procedures to ensure compliance with the provisions of the Mauritius Code of Corporate Governance as applicable.

The Board provides ethical and effective leadership from the top, in the way it conducts itself and oversees the business and affairs of the Company. It also promotes a culture whereby the principles of integrity, accountability and transparency are embraced by all employees within the Company.

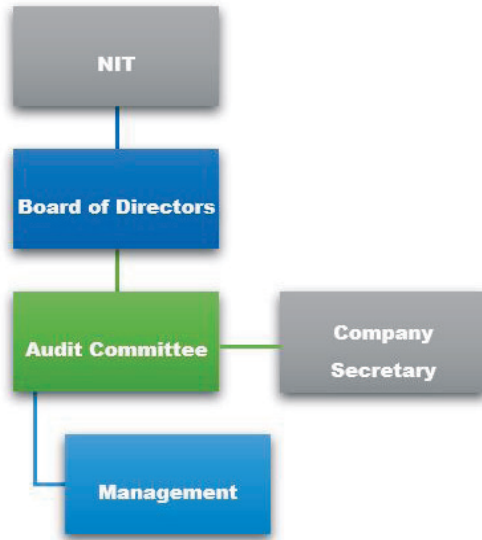
## Structure

The National Investment Trust Ltd is led by a committed and unitary Board, which has the ultimate collective responsibility for overall stewardship and oversight. The Company operates within a clearly defined governance framework, which provides for delegation of authority and clear lines of responsibility without abdicating the Board's responsibility.

In this respect, given the nature of the company and the relatively small size of its board, an Audit Committee has been established with the mandate of providing specific expertise to the Board in matters affecting the financial reporting process to ensure the balance, integrity and transparency of the financial information published by the Company. All other Corporate Governance functions are discharged by the Board of Directors as a unit.

Through this framework, the Board sets out the strategic directions of the Company and has entrusted the day-to-day running of the organisation to the Leadership Team, with their performance against set objectives and policies closely monitored. As such, the role of the Chairperson is distinct and separate from that of the Chief Executive and there is a clear division of responsibilities with the Chairperson leading the Board and the Chief Executive managing the Company's business on a day-to-day basis.

The Board of Directors has not adopted a Board Charter and is governed by the provision of the Company's Constitution and the Mauritius Companies Act 2001.



The main responsibilities of the following key positions are described below.

## Chairperson

The Chairperson of the Board is primarily responsible for the activities of the Board and its committee. He acts as the spokesperson for the Board and is the principal contact for Management. The Chairperson of the Board and the Chief Executive Officer meet regularly. The Chairperson of the Board presides over the Annual Meeting of shareholders.

The Chairperson ensures that:

- The Board satisfies its duties;
- Board members, when appointed, are briefed by the Chief Executive Officer;
- The Board members receive all information necessary for them to perform their duties
- The Agenda of Board meetings are determined;
- The Board meetings are chaired in an effective manner;
- The Board has sufficient time for consultation and decision-making
- Minutes are kept of Board and Committee meetings;
- The Committee(s) function properly;
- There is consultation with external advisors appointed by the Board;
- The performance of the Board and its members is evaluated regularly;
- Internal disputes and conflicts of interest concerning individual Board members are addressed, as well as the possible resignation of such members as a result; and the Board has proper contact with the Management

## Management

Management is responsible for:

- Implementing the overall strategy of the Board and respective Committees;
- Directing the daily operating and investment activities of the Company;
- Monitoring financial or operational performance of individual investments to ensure portfolios meet risk goals;
- Evaluating the potential of new investment opportunities;
- The proper valuation of the Company's investments including the development and monitoring of valuation guidelines;
- Responding to regulatory compliance;
- Overseeing the finance, accounting and reporting functions;
- Attending Board and Committee meetings and provide report on performance of the Company and analysis of local and foreign markets;

## Company Secretary

The Company Secretary sees to it that the Board follows correct procedures and that the Board complies with its obligations under the Company's Constitution and law, including the Companies Act 2001 namely:

- Providing the Board with guidance as to its duties, responsibilities and powers;
- Informing the Board of all legislation relevant to or affecting meetings of shareholders and Directors and reporting at any meetings and the filing of any documents required of the company and any failure to comply with such legislation;
- Ensuring that minutes of all meetings of shareholders or Directors are properly recorded in accordance with paragraph 8 of the Fifth Schedule and all statutory registers be properly maintained;
- Certifying the return to be filed, together with the Company's annual financial statements with the Registrar of Companies and any other returns required;
- Ensuring that a copy of the company's annual financial statements and, where applicable, the annual report is sent, in accordance with sections 219 and 220, to every person entitled to such statements or report.

The Company Secretary also assists the Chairperson of the Board in organising the Board's activities (including providing information, preparing an agenda, reporting of meetings, evaluations and training programs).

## The Constitution

The Company's Constitution is in compliance with the provisions of the Companies Act 2001.

The salient features of which are as follows:

- The Company has wide objects and powers;
- The Company may acquire and hold its own shares;
- There are no pre-emptive rights attached to the shares;
- Fully paid up shares are freely transferable;
- The quorum for a meeting of Shareholders is 3 Shareholders present or represented holding at least 50% of the share capital of the Company;
- The Board of Directors shall consist of not less than 5 or more than 7 Directors;
- The quorum for a meeting of the Board shall be 2 Directors when the Board shall consist of 2 or 3 members, 3 Directors when the Board shall consist of 4 or 5 members and 4 Directors when the Board shall consist of 6 or 7 members;
- The Directors have the power to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors but so that the total number of Directors shall not at any time exceed the number fixed in accordance with the Constitution. The Director so appointed shall hold office only until the next following annual meeting of Shareholders and shall then be eligible for re-election;
- A Director is not required to hold shares in the Company.

A copy of NIT's Constitution is available on the Company's website.

# The Board

## Composition

The Company has a unitary board of five members, all of whom are Non-Executive Directors and of appropriate calibre, with necessary skills and experience to assist in providing leadership, integrity and commitment to make sound judgments on various key issues relevant to the business of the Company independent of management.

Although the Code of Corporate Governance for Mauritius recommends to have at least two Independent and two Executive Directors, the Directors of the Company believe that the Board composition is adequate due to the presence of a majority of Independent Directors on the Board.

The Board of NIT is collectively responsible for promoting the success of the Company and is aware of its responsibility to ensure that the Company adheres to all relevant legislation, complies with the rules of the Official Market of the Stock Exchange of Mauritius and that the principles of good governance are followed and applied throughout the Company.

The Directors perform their duties, responsibilities and powers to the extent permitted by law. They also ensure that their other responsibilities do not impinge on their responsibilities as a Director of NIT.

The Board has unrestricted access to the records of the Company and also has the right to seek independent professional advice, at the expense of the Company, to enable it to discharge its responsibility effectively.

All the Directors reside in Mauritius.

## Meetings

The Board has at least six scheduled meetings each year. In addition, special meetings may be called from time to time as determined by the needs of the business. It is the responsibility of the Directors to attend meetings.

Board meetings are convened by giving appropriate notice after obtaining approval of the Chairman. As a general rule, detailed agenda, management reports and other explanatory statements are circulated in advance amongst the Directors to facilitate meaningful, informed and focused decisions at the meetings. To address specific urgent business needs, meetings are at times called at shorter notice.

The Directors may ask for any explanations or the production of additional information and, more generally, submit to the Chairman any request for information or access to information which might appear to be appropriate to him/her.

A quorum of 3 Directors is currently required for a Board meeting.

In addition to the Directors, Senior Management is invited at each Board meeting of the Company.

The minutes of the proceedings of each Board meeting are recorded by the Company Secretary and are entered in the Minutes Book. The minutes of each Board meeting are submitted for confirmation at its next meeting and these are then signed by the Chairman and the Company Secretary.

## Board Committees

The Code provides for the establishment of an Audit Committee as a minimum. Given the nature of the Company and the relatively small size of its board, except for the Audit Committee, all other Corporate Governance functions have continued to be discharged by the Board of Directors as a unit.

The Audit Committee roles and responsibilities, include reviewing the appropriateness of the Company's accounting policies, assessing the effectiveness and functioning of the internal control processes, reviewing the financial statements and the reporting function, ensuring compliance with relevant laws and regulations, discussing the results of the external audit processes with the external auditors.

As may be required, the Audit Committee also meets with the external auditor without the presence of Management. The external auditors have free access to the Audit Committee to report on any matters or findings.

## Board and Audit Committee Attendance

Directors	Classification	Board	Audit Committee
Mr R. Ringadoo	Independent Non-Executive	4 out of 4	n/a
Mr M. Adamjee	Independent Non-Executive	3 out of 4	3 out of 4
Mrs A. Ramburuth-Seesurn	Independent Non-Executive	4 out of 4	4 out of 4
Mr V. Rambarassah	Non-Executive	4 out of 4	4 out of 4
Mrs Amelie Vitry Audibert	Independent Non-Executive	2 out of 4	n/a

## Appointment & Induction

The Board assumes the responsibilities for the appointment and induction of new directors to the Board. Newly appointed Directors are then subject to election by shareholders at the Company's Annual Meeting in their first year of appointment.

All Directors hold office for a one-year period but are eligible for reappointment. Consequently, a new Board is elected every year by ordinary resolution at the Company's Annual Meeting.

Whenever appointments are considered, the Board reviews its structure, size and composition, to ensure that the Board has a diverse mix of competencies, knowledge and experience, in order to enrich Board discussions from different perspectives and thus improve the quality of decision making.

All new Directors have a briefing session with the Chief Executive Officer.

## Performance Evaluation & Professional Development

The Board considers regular training and development needs of Directors and senior management, as appropriate, to ensure constant professional update.

No such exercises were carried out during the financial year under review.

## Succession Planning

The Board regularly reviews the aspect of succession planning for both the Board and senior management positions to ensure continued balance of knowledge, skills and experience.

## Directors' & Officers' Interest in NIT Shares

In accordance with the Companies Act 2001, written records of the interests of the Directors and their closely related parties in NIT shares are kept in a Register of Directors' Interests. Consequently, as soon as a Director becomes aware that he is interested in a transaction, or that his holdings or his associates' holdings have changed, the interest should be reported to the Company in writing. The Register of Interests is updated with any subsequent transactions entered into by the Directors and persons closely associated with them.

All new Directors are required to notify in writing to the Company Secretary their direct and indirect holdings in NIT's shares. According to NIT's Constitution, a Director is not required to hold shares in the Company.

Moreover, as pursuant to the Securities Act 2005, NIT registered itself as a reporting issuer with the Financial Services Commission ("FSC") and makes every effort to follow the relevant disclosure requirements. The Company keeps a Register of its Insiders and the said register is updated with the notification of interest in securities submitted by the Directors, the officers and the other Insiders of NIT Ltd.

The Directors of NIT having direct and/or indirect interests in the ordinary shares of the Company at June 30, 2019 were as follows:

Directors	Direct Interest		Indirect Interest	
	No. of shares	%	No. of Shares	%
Gaetan Wong To Wing			19,366	0.1

## Directors' & Officers' Dealings in NIT Shares

The Directors of NIT use their best endeavours to follow the rules of the Official Market of the Stock Exchange of Mauritius.

The Directors and officers of the Company are prohibited from dealing in the shares of NIT at any time when in possession of unpublished price-sensitive information, or for the period of one month prior to the publication of the Company's quarterly and yearly results and to the announcement of dividends and distributions to be paid or passed, as the case may be, and ending on the date of such publications/announcements.

Moreover, Directors and officers of NIT are also required to observe the insider trading laws at all times, even when dealing in securities within permitted trading periods.

During the year under review, none of the Directors and officers of NIT dealt with the shares of the Company whether directly or indirectly.

## Directors' & Officers' Insurance and Indemnification

The Directors and officers of NIT benefit from an indemnity insurance cover.

# Remuneration

## Directors

All Directors of NIT Ltd receive a Board remuneration consisting of a fixed monthly fee and, an attendance fee. Any changes to Board remuneration are submitted to the Annual Meeting of Shareholders for approval.

The Board fees for the year under review were:

Board Fees	Fees
Annual Directors' fee	<b>Rs 556,500</b>

The current monthly remuneration of Rs 10,000 for Chairman and Rs 6,500 for all other Directors is supplemented by an attendance fee of Rs 7,000 and Rs 6,000 per meeting respectively.

Any changes to Board remuneration are submitted to the Annual Meeting of Shareholders for approval.

## Senior Executives

The Company's policy for determining remuneration for Senior Executives is to:

- Provide a remuneration package that retains and motivates key personnel;
- Ensure that pay levels are internally consistent and are aligned with market rates.

During the year under review, no director has received remuneration in the form of share options or bonuses associated with organisational performance.

# Information Governance

With the coming into force of the Data Protection Act 2017 in January 2018, the company has endeavoured to reinforce the safety and security measures in place to protect the data it collects, stores and processes.

The company continuously seeks to foster a robust framework that upholds the security and performance of information and IT systems in adherence to regulatory and industry norms.

In this respect, the Board, ensures that set policies, which are regularly reviewed, are duly implemented by Management to manage associated risks, backed by fitting structures, processes and resources.

# Directors' & Executives' Profiles

The profiles of the Board members as at end of the financial year under review are given hereunder. Their directorships in other listed companies (where applicable) are also provided.

## Raj Ringadoo Chairman

Mr. Raj Ringadoo is a Chartered Civil Engineer (C.Eng.) from the UK and has worked as a Civil Engineer for three years with the firm of Sir Alexander Gibbs & Partners UK. He holds an Honours Degree in Civil Engineering from University of Manchester, Institute of Science and Technology and an MSc in Construction Management from University of Reading, UK. Mr Ringadoo was formerly Chief Manager at the Development Bank of Mauritius Ltd and, the Chairman of The State Investment Corporation Ltd, the investment arm of the Government of Mauritius. He is currently the Director of Ringadoo Chambers.

**Directorship in other listed companies:** None

## Mazahir Adamjee

### Independent Non-Executive

Mr Mazahir F. E. Adamjee is a Fellow at the Institute of Chartered Accountants in England and Wales. After a successful career in Auditing with Deloitte London, Mr Adamjee joined the Currimjee Group where he was appointed as Director in 1991. In such capacity, Mr Adamjee has acquired an extensive experience in various sectors of economic activity.

### Directorship in other listed companies (DEM):

Compagnie Immobilière Limitée, Quality Beverages Ltd, Margarine Industries Limited and Soap & Allied Industries Limited.

### Veenay Rambarassah

#### Independent Non-Executive

Mr Veenay Rambarassah is a Fellow of the Association of Chartered Certified Accountants (FCCA). He is currently the Director of Investment of the National Pensions Fund & the National Savings Fund. He has wide experience in Accounting and Fund management.

#### Directorship in other listed companies:

None

### Amélie Vitry Audibert

#### Independent Non-Executive

Mrs Vitry Audibert holds an International MBA from Paris Dauphine/ IAE Sorbonne, together with, Master Degrees in Social Sciences/Economy and Human Resources Management from FASSE Institut Catholique de Paris. She has nearly 15 years of experience in the Operation, Communications and Human Resources fields with several high profile companies in the private sector. Currently, Mrs Vitry Audibert is a freelance Consultant in Leadership and a Certified Hedco-Coach by PREFACE, Belgium.

#### Directorship in other listed companies: None

### Anjana Ramburuth-Seesurn

#### Independent Non-Executive

Mrs Anjana Ramburuth-Seesurn is a member of the Honourable Society of the Middle Temple (non-practising) and the Mauritius Bar Association and, is currently Counsel within both the Corporate and Dispute Resolution departments of Appleby both in Mauritius and Seychelles. Prior to joining Appleby, Mrs Ramburuth-Seesurn was a practising barrister in general private practice with experience in all areas of Mauritian law, including civil, criminal, commercial, corporate, constitutional, matrimonial, employment, insurance and land law matters, and experience in judicial review cases, disciplinary proceedings and domestic and international commercial arbitration.

#### Directorship in other listed companies: None

## Senior Management Profile

### Gaetan Wong To Wing Chief Executive Officer

Mr Wong is a Fellow of the Institute of Chartered Accountants in England and Wales. After a successful career in Auditing both in the U.K and in Mauritius, he joined the National Mutual Fund Ltd (i.e., the first domestic unit trusts manager) in 1989. Gaetan was a Key player in the setting up of the National Investment Trust Ltd in 1993 and was appointed General Manager of the Company in 2001 and, Chief Executive Officer in 2008. Under his leadership, the company underwent a multi-phased transformation from an investment holding company to a fully-fledged fund management one.

### Teddy Blackburn Chief Analyst

Teddy joined the Company in 2001 and, is the Company's Chief Analyst. He holds postgraduate qualifications in Economics and Applied Finance from Australia.

## Internal Control & Risk Management

The Company maintains a system of financial control that is designed to provide assurance regarding the keeping of proper accounting records and the reliability of financial information used within the business and for publication. It also ensures compliance with internal procedures, statutory guidelines and regulations, accounting and financial reporting standards.

Given the nature and small size of the Company the Board as a unit is responsible for the Company's system of internal control and for reviewing its effectiveness. In carrying out this function, the Board derives its information from regular management accounts and external audit reports.

As stated above, the Board has unrestricted access to the records of the Company and also has the right to seek independent professional advice, at the expense of the Company, to enable it to discharge its responsibility effectively.

The Board is satisfied that a continual process for identifying, evaluating and managing the Company's significant risks has been in place for the financial year and up to the date of this Annual Report. Furthermore, to date, no material financial problems have been identified that would affect the results reported in these financial statements. The Board confirms that if significant weaknesses had been identified during this review, the Board would have taken the necessary steps to remedy them.

## Risk Management

The Company is constantly faced with a variety of risks, which could adversely affect its performance and financial condition.

The Board is ultimately responsible for the system of internal control and for reviewing its effectiveness. The Board confirms that there is an ongoing process for identifying, evaluating and managing the various risks faced by the Company.

Management analyses investments and disinvestments decisions and recommends them to the Board after having analysed all inherent risks, in terms of returns to be realised, future growth etc.

Some of the prominent risks to which the Company is exposed are:

### **Financial risk**

These risks comprise of market risks (including currency risks, interest rate risks and price risks), credit risks and liquidity risks as reported in note 3 of the financial Statements.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The company aims at maintaining flexibility in funding by keeping reliable credit lines available. Management monitors rolling forecasts of the company's liquidity reserve on the basis of expected cash flows.

### **Operational risk**

These risks are defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The Company's processes are periodically re-evaluated to ensure their effectiveness. Workers and managers at every level fulfil their respective roles to assure that the controls are maintained over time. The risk management process continues throughout the life cycle of the system, mission or activity.

### **Compliance risk**

This risk is defined as the risk of not complying with laws, regulations and policies.

The operations of the Company are compliant with the Occupational Safety and Health Act 2005. Furthermore, the Company has a commitment to the protection of the environment, the welfare of its employees and towards the society at large.

### **Reputational risk**

This risk arises from losses due to unintentional or negligent failure to meet a professional obligation to stakeholders.

The Company's strong reputation revolves around effective communication and building solid relationships. Communication between the Company and its stakeholders has been the foundation for a strong reputation.

Risk management is considered by the Board to be an essential element of business strategy. It is a key responsibility of the Chief Executive Officer of National Investment Trust Limited and his team, and an activity which is overlooked by the Board of Directors.

The Chief Executive Officer of National Investment Trust Limited works with his team to identify potential risks to the Company's business rating identified risks by both probability and severity of impact. Necessary strategies and action plans are then developed to offset or mitigate those risks.



## **Code of Ethics**

NIT Ltd believes that it is essential that all employees within the Company act in a professional manner and extend the highest courtesy to co-workers, visitors, clients and all other stakeholders.

As such, the National Investment Trust Ltd has adopted a Code of Ethics. The Code is based on the important principle of respect. This fundamental principle applies to the clients, employees, shareholders, and the community in which the company operates.

Moreover, the Code provides guidance to employees as to how to behave both in the immediate internal environment as well as external interactions. It also defines what is regarded as acceptable and not acceptable for the Company as a whole.

All employees have taken cognisance of the National Investment Trust Limited Code of Ethics and are expected to act according to it.

## **Related Party Transaction**

Transactions with related parties are disclosed in detail in note 19 of the Financial Statements. Adequate care was taken to ensure that the potential conflict of interest did not harm the interests of the Company.

## **Health, Safety And Environmental Policies**

The National Investment Trust Ltd believes in providing and maintaining a safe and healthy work environment for all its employees. The objective being the optimization of work efficiency and the prevention of accidents at work through the implementation of safety standards.

Furthermore, the Company carries out its activities in line with best green, environmentally-friendly and energy-saving practices.

## **Employee Share Option Plan**

The Company has no employee share option plan.

## **Donations**

The Company made no donations during the year.

# Statement of Directors' Responsibilities

The Directors are responsible for the preparation of financial statements which give a true and fair view of the financial position, financial performance and cash flows of the Company and the Company complies with the Companies Act 2001 and with International Financial Reporting Standards.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Other main responsibilities of the Board of Directors include assessment of the management team's performance relative to corporate objectives, overseeing the implementation and upholding of good corporate governance practices, acting as the central coordination body for the monitoring and reporting of sustainability performance of the Company and ensuring timely and comprehensive communication to all stakeholders on events significant to the Company.

## **Accounting records to be kept**

The Board of Directors shall cause accounting records to be kept that:

- Correctly record and explain the transactions of the Company;
- Shall at any time enable the financial position of the Company to be determined with reasonable accuracy; and
- Enable the Directors to prepare financial statements that comply with the Companies Act 2001 and International Financial Reporting Standards.

In preparing those financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether or not the Companies Act 2001 and International Financial Reporting Standards have been adhered to and explain material departures thereto; and
- Prepare these financial statements on the going concern basis unless it is in appropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Board acknowledges its responsibility for ensuring the preparation of the annual financial statements in accordance with International Financial Reporting Standards and the responsibility of external auditors to report on these financial statements. The Board also acknowledges its responsibility for ensuring the maintenance of adequate accounting records and an effective system of internal controls and risk management.

The Board of Directors confirms that it endeavours to implement corporate governance best practice. Nothing has come to the Board's attention, to indicate any material breakdown in the functioning of the internal controls and systems during the period under review, which could have a material impact on the business. The financial statements are prepared from the accounting records on the basis of consistent and prudent judgments and estimates that fairly present the state of affairs of the Company.

The Board of Directors confirms that it is satisfied the National Investment Trust Limited has adequate resources to continue in business for the foreseeable future. For this reason, it continues to adopt the going concern basis when preparing the financial statements.

## **Signed on behalf of the Board of Directors**



**Raj Ringadoo**  
Chairman



**Veenay Rambarassah**  
Director

27 September 2019

# Statutory Disclosures

## Principles Activities

The Company was incorporated as a closed-end fund whose principal activity was to invest in shares and securities in both the local and international markets.

In January 2008, the Company got the approval from the relevant authorities to go ahead with its plan to split its assets into three distinct and separate parts, namely:

- (i) Sub-Fund 1: NIT Local Equity Fund, to hold all domestically quoted stocks;
- (ii) Sub-Fund 2: NIT Global Opportunities Fund, to hold all overseas investments;
- (iii) NIT Ltd, to hold the local unquoted shares and manage the above two funds.

The Company was granted a CIS Manager Licence on 21st June 2010 and, the NIT Unit Trust was authorized to operate as a Collective Investment Scheme under Section 97 of the Securities Act 2005 on 15 January 2013. Consequently, all investment activities carried out by the Company are now subject to certain restrictions.

In October 2015, NIT launched six new thematic/region specific equity funds of funds namely:

<b>NIT North America Fund</b>	A selection of high-profile North American equity funds
<b>NIT Global Value Fund</b>	A selection of international equity funds targeting sectors and companies where The Manager sees value.
<b>NIT Global Bond Fund</b>	A selection of high-profile international fixed-income funds.
<b>NIT Europe Fund</b>	A selection of high-profile European equity funds.
<b>NIT Global Healthcare Fund</b>	A selection of high-profile equity funds targeting global pharmaceutical, biotechnology, healthcare services, medical technology and life sciences companies funds.
<b>NIT Emerging Markets Fund</b>	A selection of high-profile Emerging Markets equity funds.

## Results and Dividends

The Statement of Profit or Loss and other Comprehensive Income of the Company for the year to 30 June 2019 is set out on page 25 of this report. For the financial year under review, the Company's profit after taxation amounted to Rs 97,548,188 (2018-Rs 22,821,340).

The Company has declared and paid dividends of Rs 30,145,500 (2018: Rs 30,145,500) in respect of the financial year 30 June 2019. The directors have performed the required solvency test as required by the Companies Act 2001.

## Directors' Interests

### (a) Contracts of significance (transaction > 5% of share capital and reserves)

There were no significant contracts or transactions during the year involving the Company and the Directors or their related parties outside the ordinary course of business.

### (b) Directors Service Contracts

There are no service contracts between the Company and the Directors.

## Fees payable to the auditors

The fees payable to the auditors for audit services for the year were as follows:

	2019 (Rs)	2018 (Rs)
Audit Services	172,816	153,775

## Auditors

The auditors, Mazars, have expressed their willingness to continue in office and a resolution proposing their re-appointment will be submitted for the approval of the Shareholders of the Company at the next annual meeting.

## Directors

The Directors who served during the year are given below:



**Chairman**  
Raj Ringadoo



**Directors**  
Mazahir Adamjee  
Veenay Rambarassah  
Nikhil Treebhooon (Resigned on 4 Sep. 18)  
Anjana Ramburuth  
Amélie Vitry Audibert

# Letter to Shareholders & Unit-Holders

On behalf of the Board of Directors, I am pleased to submit to the shareholders of the Company and the unit-holders of the eight funds under our management, the audited financial statements, for the year ended 30 June 2019.

## Brief Review of Business NIT Ltd



### Net Asset Value

For the financial year under review, the Company's Net Asset Value per share was up 7% to Rs 37.89 principally following the revaluation of our 12% holding stake in SICOM Ltd.

### Income

On the income side, a profit after tax of Rs 97.5m was registered (2018: Rs 22.8m).

A dividend of Rs 1.10 per share has been declared (2018: Rs 1.10 per share).



### Prospects

Our performance is closely linked to the evolution of the financial markets in which the funds under our management are invested.



## NIT Funds - Snapshot of Performances as at 26 September 2019



“Our Unique Approach = Our Performance!”

### NIT Fund Family – Cumulative Performances in MUR terms (on a NAV-to-NAV basis) as at 26.09.19

Overseas Funds	Description	3 Months (%)	6 months (%)	Since 1 January 2019 (%)	18 months (%)	30 months (%)	48 months (%)	60 Months (%)
NIT Local Equity	An equity fund holding mostly blue-chips domestically quoted securities	2.7	(0.8)	(2.6)	(7.0)	9.9	15.4	4.0
NIT Global Opportunities	Our flagship international fund which is well balanced in terms of geographical exposure – It reflects the House's view!	(0.4)	2.9	13.7	4.0	11.6	19.5	28.0
NIT North America	A selection of high-profile North American equity funds	2.3	7.6	15.8	18.2	26.5	43.6	-
NIT Europe	A selection of high-profile European equity funds	(1.9)	6.8	16.7	(0.1)	8.6	6.4	-
NIT Emerging Markets	A selection of high-profile Emerging Markets equity funds	(1.1)	2.1	7.1	(3.5)	7.8	17.8	-
NIT Global Bond	A selection of high-profile international fixed-income funds	2.2	6.7	11.8	11.4	5.0	1.6	-
NIT Global Healthcare	A selection of high-profile equity funds targeting global pharmaceutical, biotechnology, healthcare services, medical technology and life sciences companies	(1.3)	0.6	13.9	19.0	20.5	25.0	-
NIT Global Value	A selection of international equity funds targeting sectors where we see value!	(1.8)	1.6	11.9	(3.1)	1.7	19.2	-

“All performances” information is stated on a NAV-to-NAV basis, net of management fees, including all dividends declared (if any) in the respective measurement periods.

## Some Market Thoughts

Although volatility continue to plague markets, since balance sheet date, global equity markets have continued their impressive run with all indices in the U.S. now posting positive double-digit returns, and the MSCI World Index & MSCI Emerging Markets up 13.9% and 5.8% respectively (in U.S.-dollar terms) year to date.

As for the narratives, fears of an apocalyptic trade war between the U.S. & China, worries over tighter global monetary policy, and geopolitical uncertainty (middle-east/Hong Kong etc) eventually gave way to risk-on sentiment, following a dovish pivot from the Fed and other developed-market central banks, Chinese policy stimulus, and a possible swift resolution to the Brexit issue.

### Evolution of global equity indices – From 1 January to 27 September 2019



From our perspective, although we acknowledge that there is clearly a paradigm shift to a higher volatility environment, we continue to believe that value can still be added to the portfolio by increasing exposure to targets with long term secular tailwinds. The challenge here is to understand the systemic changes taking place and analyse potential investments under this lens.

On the local front, based on prevailing fundamentals, with a p/e of 14 and a dividend yield of 4%, the local bourse continue to offer some interesting opportunities. Having said that, given the limited free-float of the market, foreign flows remain the main driving force from a structural perspective and, needs to be monitored closely.

## Appreciation

I would like to express my gratitude to my colleagues of the Board of Directors for their assistance and guidance throughout the year and the management and staff under the leadership of our CEO, Mr Gaetan Wong, for their valuable contribution during the year.

**Raj Ringadoo**  
Chairman

27 September 2019

# Independent Auditor's Report to the shareholders of the NIT Ltd

## Report on the Financial Statements

### Opinion

We have audited the financial statements of National Investment Trust Ltd (the "Company") which comprises of the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements on pages 25 to 45 give a true and fair view of the financial position of the Company at 30 June 2019 and its financial performance, and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Mauritius Companies Act 2001.

### Basis for Opinion

We have conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significant

in our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition, we have determined the matters described below to be the key audit matters to be communicated in our report.

### Other information

The Directors are responsible for the other information. The other information comprises the Corporate Governance Report, Statutory disclosures and the Secretary's Certificate as required by the Mauritius Companies Act 2001 and the Financial Reporting Act 2004 which we have obtained prior to date of the audit report. Other information does not include the financial statements and our audit report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Directors and those charged with Governance for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and in compliance with the Mauritius Companies Act 2001 and for such internal control management determines is necessary to enable the preparation of the financial statements that are free from misstatements whether due to fraud or error.

In preparing the financial statements, directors

The Key Audit Matter	How the matter was addressed in our audit
<p>Valuation of financial assets at fair value through profit or loss account</p> <p>As at 30 June 2019, the Company had unquoted investments.</p> <p>We focused on this area because of the significance of the investments in the financial statements, and because determining the valuation methodology and the inputs requires estimation and significant judgement to be applied by management and the Board of Directors.</p>	<ul style="list-style-type: none"> <li>• Our audit procedures included the assessment of controls over the identification, measurement and management of valuation risk, and evaluating the methodologies, inputs and assumptions used by the Company in determining fair values.</li> <li>• For the Company's fair value models, we assessed the appropriateness of the models and inputs. We compared observable inputs against independent sources and externally available market data.</li> <li>• For a sample of instruments with significant unobservable valuation inputs, and with the assistance of our own valuation specialists, we critically assessed the assumptions and models used or re-performed an independent valuation assessment, by reference to what we considered to be available alternative methods and sensitivities to key factors.</li> <li>• Additionally, we assessed whether the financial statement disclosures of fair value risks and sensitivities appropriately reflect the Company's exposure to valuation risk.</li> </ul> <p>We obtained sufficient audit evidence to conclude that the inputs, estimates and methodologies used for the valuation of the investments are within reasonable range and that valuations policies were consistently applied by the Board of Directors.</p>

are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

We also provide those charged with governance with a statement that we compiled with the relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable related safeguards.

From matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audits matters. We described these matters in our audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

The Mauritius Companies Act 2001 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- We have no relationship with or interests in the Company other than in our capacity as auditors;
- We have obtained all the information and explanations we have required;
- In our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records

### **The Financial Reporting Act 2004**

The directors are responsible for preparing the corporate governance report. Our responsibility is to report the extent of compliance with the Code of Corporate Governance (the "Code") as disclosed in the financial statements and on whether the disclosure is consistent with the requirements of the Code. In our opinion, the disclosure in the financial statements is consistent with the requirements of the code.

### **Other matter**

This report, including the opinion has been prepared for and only for the Company's members, as a body, in accordance with Section 205 of the Mauritius Companies Act 2001 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Mazars



Udaysingh Taukoordass, FCA  
Licensed by FRC  
27 September 2019



# NIT Financial Statements & Notes to the Account

## Statement of Financial Position | for the year ended 30 June 2019

	Notes	2019 Rs	2018 Rs
<b>Assets</b>			
<b>Non- Current Assets</b>			
Property and equipment	5	25,344,787	28,591,533
Intangible assets	6	539,092	1,078,183
Financial assets at fair value through profit or loss	7	942,169,918	854,988,500
		<b>968,053,797</b>	884,658,216
<b>Current Assets</b>			
Other receivables	8	10,340,506	28,210,557
Cash and cash equivalents	9	65,575,130	74,976,703
		<b>75,915,636</b>	103,187,260
<b>Total Assets</b>		<b>1,043,969,433</b>	987,845,476
<b>Equity and Liabilities</b>			
<b>Capital and Reserves</b>			
Stated capital	10	274,050,000	274,050,000
Fair Value Reserve		562,795,541	475,659,719
Retained earnings		201,524,757	221,257,891
<b>Total Equity</b>		<b>1,038,370,298</b>	970,967,610
<b>Liabilities</b>			
<b>Non Current Liabilities</b>			
Deferred tax liabilities	11 (d)	400,765	523,976
<b>Current Liabilities</b>			
Other payables	12	5,007,977	15,924,952
Current tax liabilities	11 (b)	190,393	428,938
		<b>5,198,370</b>	16,353,890
<b>Total Liabilities</b>		<b>5,599,135</b>	16,877,866
<b>Total Equity and Liabilities</b>		<b>1,043,969,433</b>	987,845,476

Authorised for issue by the Board of Directors on 27 September 2019.



Raj Ringadoo



Veenay Rambarassah

The notes on pages 29 to 45 form an integral part of these financial statements.

## Statement of Profit or Loss | and other Comprehensive Income for the year ended 30 June 2019

	Notes	2019 Rs	2018 Rs
<b>Income</b>			
Investment income	13	19,649,952	18,846,081
Management fees	14	11,916,262	11,496,086
Interest income	15	1,189,303	1,679,144
Gain on disposal of investments		1,701,045	5,464,585
Net changes in fair value of financial assets at fair value through profit or loss	7	87,135,822	9,855,741
		<b>121,592,384</b>	47,341,637
<b>Expenses</b>			
Administrative expenses		(23,395,648)	(23,475,186)
<b>Profit before taxation</b>			
		<b>98,196,736</b>	23,866,451
Taxation	11 (a)	(648,548)	(1,045,111)
<b>Profit for the Year</b>			
		<b>97,548,188</b>	22,821,340
Other comprehensive income		-	-
<b>Total Comprehensive Income for the Year</b>			
		<b>97,548,188</b>	22,821,340
<b>Analysed as follows:</b>			
Net changes in fair value of financial assets at FVTPL transferred to fair value reserve		87,135,822	9,855,741
Surplus available for distribution		10,412,366	12,965,599
		<b>97,548,188</b>	22,821,340
Number of shares in issue	18	27,405,000	27,405,000
<b>Earnings Per Share</b>			
	18	3.56	0.83

The notes on pages 29 to 45 form an integral part of these financial statements.

## Statement of Changes in Equity | for the year ended 30 June 2019

	Notes	Stated Capital Rs	Fair Value Reserve Rs	Retained Earnings Rs	Total Rs
<b>At 1 July 2017</b>		274,050,000	465,803,978	235,697,292	975,551,270
Total comprehensive income for the year		-	-	22,821,340	22,821,340
		<b>274,050,000</b>	<b>465,803,978</b>	<b>258,518,632</b>	<b>998,372,610</b>
Net changes in fair value of financial assets at FVTPL transferred to fair value reserve		-	9,855,741	(9,855,741)	-
Dividend	17	-	-	(27,405,000)	(27,405,000)
<b>At 30 June 2018</b>		<b>274,050,000</b>	<b>475,659,719</b>	<b>221,257,891</b>	<b>970,967,610</b>
<b>At 1 July 2018</b>		<b>274,050,000</b>	<b>475,659,719</b>	<b>221,257,891</b>	<b>970,967,610</b>
Total comprehensive income for the year		-	-	<b>97,548,188</b>	<b>97,548,188</b>
		<b>274,050,000</b>	<b>475,659,719</b>	<b>318,806,079</b>	<b>1,068,515,798</b>
Net changes in fair value of financial assets at FVTPL transferred to fair value reserve		-	<b>87,135,822</b>	<b>(87,135,822)</b>	-
Dividend	17	-	-	<b>(30,145,500)</b>	<b>(30,145,500)</b>
<b>At 30 June 2019</b>		<b>274,050,000</b>	<b>562,795,541</b>	<b>201,524,757</b>	<b>1,038,370,298</b>

The notes on pages 29 to 45 form an integral part of these financial statements.

## Statement of Cash Flows | for the year ended 30 June 2019

	Notes	2019 Rs	2018 Rs
<b>Cash from Operating Activities</b>			
<b>Profit before taxation</b>		<b>98,196,736</b>	23,866,451
Interest Income	15	<b>(1,189,303)</b>	(1,679,144)
Net changes in fair value of financial assets at FVTPL	7	<b>(87,135,822)</b>	(9,855,741)
Depreciation of property and equipment	5	<b>3,479,276</b>	3,643,318
Amortisation of intangible assets	6	<b>539,091</b>	539,091
Profit on disposal of investments		<b>(1,701,045)</b>	(5,464,585)
Loss on disposal of motor vehicle		-	125,000
<b>Operating Profit Before Working Capital Changes</b>		<b>12,188,933</b>	11,174,390
Decrease in other receivables		<b>18,116,566</b>	58,962,895
(Decrease) Increase in payables		<b>(10,916,475)</b>	11,785,500
<b>Cash Generated from Operating Activities</b>		<b>19,389,024</b>	81,922,785
Interest Received		<b>892,158</b>	1,679,144
Tax refund/(paid)		<b>(1,010,304)</b>	1,156,737
<b>Net Cash Generated from Operating Activities</b>		<b>19,270,878</b>	84,758,666
<b>Cash Flow from Investing Activities</b>			
Acquisition of financial assets at FVTPL		<b>(40,977,289)</b>	(130,103,231)
Proceeds from disposal of financial assets at FVTPL		<b>42,682,868</b>	46,997,233
Purchase of property and equipment		<b>(232,530)</b>	(3,893,632)
Proceeds from disposal of plant and equipment		-	675,000
<b>Net Cash Used in Investing Activities</b>		<b>1,473,049</b>	(86,324,630)
<b>Cash Flow from Financing Activities</b>			
Dividends paid		<b>(30,145,500)</b>	(27,405,000)
<b>Net Cash generated from/ (Used in) Financing Activities</b>		<b>(30,145,500)</b>	(27,405,000)
Net Decrease in Cash and Cash Equivalents		<b>(9,401,573)</b>	(28,970,964)
Cash and Cash Equivalents at the Beginning of the Year		<b>74,976,703</b>	103,947,667
<b>Cash and Cash Equivalents at the End of the Year</b>	9	<b>65,575,130</b>	74,976,703

The notes on pages 29 to 45 form an integral part of these financial statements.

# Notes to the Financial Statements for the National Investment Trust Ltd | for year ended 30 June 2019

## 1. General Information

National Investment Trust Ltd (the "Company") was incorporated in Mauritius on 18 March 1993 as a closed-end fund whose principal activity was to invest in shares and securities in both the local and international markets. The Company is listed on the Stock Exchange of Mauritius. The Company's registered office is Level 8, Newton Tower, Sir William Newton Street, Port Louis.

On January 2008, the Company got the approval from the relevant authorities to go ahead with its plan to split its assets into three distinct and separate parts, namely:

- (i) Sub-Fund 1: NIT Local Equity Fund, to hold all domestically quoted stocks;
- (ii) Sub-Fund 2: NIT Global Opportunities Fund, to hold all overseas investments; and
- (iii) The Company to hold the local unquoted shares and manage the above two funds.

During the year 2015, the Company incorporated 6 new sub-funds namely; NIT North America Fund, NIT Europe Fund, NIT Emerging Markets Fund, NIT Global Bond Fund, NIT Global Healthcare Fund, NIT Global Value Fund, under the NIT Unit Trust. The new Funds hold overseas investments.

The Company was granted a CIS Manager Licence on 21 June 2010, issued by the Financial Services Commission and acts as the manager of NIT Local Equity Fund, NIT Global Opportunities Fund and six new Funds incorporated during the year 2015. As a CIS Manager, all investment activities carried out by the Company are subject to certain restrictions.

## 2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all year presented, unless stated otherwise.

### 2.1 Basis of presentation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued by the International Accounting Standards Board ("IASB") and its related bodies. The financial statements have been prepared under the historical cost convention, except for fair valuation of financial assets at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise their judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are described in Note 4.

#### (a) Standards and amendments to existing standards effective 01 July 2018

##### *IFRS 9 – Financial Instruments*

IFRS 9 "Financial Instruments" became effective for annual periods beginning on or after 1 July 2018. It addresses the classification, measurement and derecognition of financial assets and liabilities and replaces the multiple classification and measurement models in IAS 39.

Classification and measurement of debt assets is driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument is measured at amortised cost if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows and the contractual cash flows under the instrument solely represent payments of principal and interest ("SPPI").

A debt instrument is measured at fair value through other comprehensive income if the objective of the business model is to hold the financial asset both to collect contractual cash flows from SPPI and to sell. All other debt instruments must be recognised at fair value through profit or loss. An entity may however, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Derivative and equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income. IFRS 9 also introduces a new expected credit loss ("ECL") impairment model.

IFRS 9 has been applied retrospectively by the Company and did not result in a change to the classification or measurement of financial instruments. There was no material impact on adoption from the application of the new impairment model at 1 July 2018.

### (a) Classification

From 1 July 2018, the Company classifies its financial assets in the following measurement categories: those to

- Be measured subsequently at fair value (either profit or loss or other comprehensive income), and
- Those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI.

The Company classifies its investments based on both the Company's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Company is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Company has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. All investments are measured at fair value through profit or loss.

Financial assets are classified as current assets if they are expected to be realised within 12 months of the end of the reporting period. Those not expected to be realised within 12 months will be classified as non-current.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

The measurement category and the carrying amount of financial instruments in accordance with IAS 39 and IFRS 9 at 1 July 2018 are compared as follows:

Financial Instruments	IAS 39		IFRS 9	
	Measurement category	Carrying amount Rs	Measurement category	Carrying amount Rs
Unquoted Investments	Financial assets at fair value through profit or loss	854,988,500	Financial assets at fair value through profit or loss	854,988,500
Amount due from related parties	Loan and receivables	27,709,010	Financial assets at amortised cost	27,709,010
Other receivables	Loan and receivables	300,000	Financial assets at amortised cost	300,000
Cash and cash equivalents	Loan and receivables	74,976,703	Financial assets at amortised cost	74,976,703
Other payables	Other liabilities	15,924,952	Other financial liabilities at amortised cost	15,924,952

### (b) Recognition, derecognition and measurement

Regular purchases and sales of investments are recognised on the trade date – the date on which the Company commits to purchase or sell the investment. Financial assets and liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of profit or loss.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when they are extinguished – i.e. when the obligation specified in the contract is discharged or cancelled or expires.

Subsequent to initial recognition, all financial assets and liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the "Financial assets and liabilities at fair value through profit or loss" category are presented in the statement of comprehensive income within "Changes in fair value of financial assets and liabilities at fair value through profit or loss" in the period in which they arise.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 July 2018 that have a material effect on the financial statements of the Company.

#### Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as dividend income when the Company's right to receive payments is established.

### **(c) Impairment**

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model. The new impairment model also applies to certain loan commitments and financial guarantee contracts but not to equity investments. Under IFRS 9, credit losses are recognised earlier than under IAS 39. The Company has assessed the impact of applying the impairment provisions of IFRS 9 Expected Credit Loss at 1 July 2018 as opposed to applying IAS 39 incurred loss model. The Company has estimated that no significant adjustment is required at 1 July 2018 to retained earnings.

### **(d) Accounting policies applied until 30 June 2018**

The Company has applied IFRS 9 retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Company's previous accounting policy.

#### *Classification*

Until 30 June 2018, the Company classified its financial assets in the following categories:

- Financial assets at fair value through profit or loss,
- Loans and receivables,
- Held-to-maturity investments, and
- Available-for-sale financial assets.

The classification depended on the purpose for which the investments were acquired. Management determined the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluated this designation at the end of each reporting period.

#### **Subsequent measurement**

The measurement at initial recognition did not change on adoption of IFRS 9, see description above.

Subsequent to the initial recognition, loans and receivables and held-to-maturity investments were carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at FVPL were subsequently carried at fair value. Gains or losses arising from changes in the fair value were recognised as follows:

- For financial assets at FVPL – in profit or loss within other net changes in fair value of financial assets at fair value through profit or loss.
- For available-for-sale financial assets that are monetary securities denominated in a foreign currency – translation differences related to changes in the amortised cost of the security were recognised in profit or loss and other changes in the carrying amount were recognised in other comprehensive income.
- For other monetary and non-monetary securities classified as available-for-sale – in other comprehensive income.

Details on how the fair value of financial instruments is determined are disclosed in Note 3.

When securities classified as available-for-sale were sold, the accumulated fair value adjustments recognised in other comprehensive income were reclassified to profit or loss as gains and losses from investment securities.

#### *Impairment*

The Company assessed at the end of each reporting period whether there was objective evidence that a financial asset or group of financial assets was impaired. A financial asset or a group of financial assets was impaired and impairment losses were incurred only if there was objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) had an impact on the estimated future cash flows of the financial asset or Company of financial assets that could be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost was considered an indicator that the assets are impaired.

In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost was considered an indicator that the assets are impaired.

### **(e) Investments in financial assets previously designated at fair value through profit or loss**

The Company had financial assets amounting to Rs 854,988,500 at 30 June 2018 which were classified as fair value through profit or loss. On adoption of IFRS 9, there were no impact / changes in classification and measurement of these financial assets.

## **(f) Initial recognition and measurement**

Purchases and sales of investments are recognised on trade date – the date on which the Company commits to purchase or sell the investment. All financial assets are recognised initially at fair value. Transaction costs are expensed as incurred in the statement of profit or loss.

## **(g) Subsequent measurement**

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value presented in the statement of profit or loss and other comprehensive income as changes in fair value of financial assets at fair value through profit or loss' in the period in which they arise.

The fair values of quoted investments are based on the current last traded prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis, making maximum use of market inputs and relying as little as possible on entity specific inputs. Equity investments for which fair values cannot be measured reliably are valued by reference to their historical cost less impairment.

## **(h) Derecognition**

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or the Company has transferred substantially all risks and rewards of ownership.

### ***Assets carried at amortised cost***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's loans and receivables comprises cash and cash equivalents in the statement of financial position.

Loans and receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and included fees or costs that are an integral part of the effective interest rate. The effective interest amortisation is included in interest income in the statement of profit or loss and comprehensive income. The loss arising from impairment is recognised in profit or loss in financial costs for loans and in other expenses for receivables.

### **IFRS 15 Revenue from contracts with customers**

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue and the related Interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standards introduces a 5-Step approach to revenue recognition:

- Step 1 : Identify the contract(s) with a customer;
- Step 2 : Identify the performance obligations in the contract;
- Step 3 : Determine the transaction price;
- Step 4 : Allocate the transaction price to the performance obligations in the contract; and
- Step 5 : Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

Far more prescriptive guidance has been added in IFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

IFRS 15 did not have a significant impact on the accounting policies with respect to the revenue generating activities of the Company.



## **(b) New standards, amendments and interpretations effective after 1 July 2019 and have not been early adopted**

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 01 July 2019 or later periods, but which the Company has not early adopted.

- Amended to IFRS 2 Classification and measurement of share-based payment transactions
- IFRS 17 Insurance contracts
- IFRS 23 Uncertainty over Income Tax Treatments
- Annual improvements to IFRSs 2015-2017 cycle
- Plan amendments, curtailment or settlement (Amendments to IAS 19)
- IFRS 16 Leases

### **2.2 Foreign currency translation**

#### *(a) Functional and presentation currency*

The performance of the Company is measured and reported to the investors in Mauritian Rupee ("Rs"). The Directors consider the Mauritian Rupees ("Rs" or "MUR") as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Rs, which is the Company's functional and presentation currency.

#### *(b) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of profit or loss and other comprehensive income. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of their fair value gain or loss. Non-monetary items measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transactions.

### **2.3 Property, Plant and equipment**

All property and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of profit or loss during the financial year in which they are incurred.

Depreciation is calculated using straight-line method to allocate their cost to their residual values over their estimated useful lives. The annual depreciation rates are as follows:



Buildings 5 %



Office equipment 10 %



Computer Equipment 20 %



Motor vehicles 20 %

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are included in profit or loss.

## 2.4 Intangible assets

### Software

Acquired software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Software with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised on a written-down-value basis at the rate of 25% per annum. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted on a prospective basis.

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed 4 years.

## 2.5 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the statement of profit or loss and other comprehensive income.

## 2.6 Other receivables

Other receivables are recognised at fair value.

## 2.7 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position consist of cash at bank with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank and short-term deposits, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

## 2.8 Stated capital

Ordinary shares are classified as equity.

## 2.9 Accruals and other payables

Accruals and other payables are recognised initially at fair value.

## 2.10 Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the financial position date in the country where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets on tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Cash and cash equivalents in the statement of financial position consist of cash at bank with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

## **2.11 Retirements benefits obligations**

Contribution to the defined contribution pension fund of the Company is expensed to the statement of profit or loss and other comprehensive income.

## **2.12 Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

## **2.13 Dividend income**

Dividend income is recognised when the right to receive payment is established.

## **2.14 Interest income**

Interest income is accounted for as it accrues unless collectability is in doubt. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate.

## **2.15 Management fee**

Management fee receivable from the Sub-Funds is based on 1% of the Net Asset Value of the Sub-Funds (except for, NIT Global Opportunities Fund which is at 1.25% and NIT Global Bond at 0.6%). Management fees are calculated on a weekly basis and receivable quarterly in arrears.

## **2.16 Dividend distribution**

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Board of Directors.

## **2.17 Comparatives**

Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current year.

# **3. Financial Risk Management**

## *3.1 Financial risk factors*

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by management under policies approved by the board of directors. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity.

## (a) Market risk

### Foreign exchange risk

The Company holds assets and liabilities denominated in currencies other than the Mauritian Rupee. Consequently, the Company is exposed to currency risk, as the value of the assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates. The Company's policy is not to enter into any currency hedging transactions.

The currency profile of the Company's financial assets (excluding prepayments) and liabilities is summarised as follows:

	Financial Assets 2019 Rs	Financial Liabilities 2019 Rs	Financial Assets 2018 Rs	Financial Liabilities 2018 Rs
<b>Mauritian Rupee</b>	<b>779,754,820</b>	<b>5,007,977</b>	725,240,281	15,924,952
<b>United States Dollar</b>	<b>226,310,288</b>		221,470,590	-
<b>Euro</b>	<b>11,304,630</b>		11,262,842	-
<b>Total</b>	<b>1,017,369,738</b>	<b>5,007,977</b>	957,973,713	15,924,952

The exchange rate risk arises mainly out of the Company's investment in the foreign securities which are denominated in USD. The currency risk between the foreign currency of the investments and the functional currency of the Company is not actively managed and fluctuates with market movements.

The following table details the Company's sensitivity to a 10% change in the Mauritian Rupee against the relevant foreign currencies. The 10% represents management's assessment of the reasonably possible change in foreign exchange rates. A positive number below indicates an increase in profit and equity where the Mauritian Rupee weakens 10% against the relevant foreign currencies. For a 10% strengthening of the Mauritian Rupee against the relevant foreign currencies, there would be an equal and opposite impact on the profit and equity and the balance below would be negative.

	2019 Rs	2018 Rs
<b>Increase/(decrease) in pre-tax profit/equity</b>	<b>23,761,492</b>	23,273,343

### Price Risk

The Company is not exposed to securities price risk as it does not have any investments that are listed for which prices in the future are uncertain. However, the Company has invested in sub-funds who in turn have invested in quoted securities. Future changes in prices of those quoted securities will impact on the net asset value of the sub- Funds.

### Interest rate risk

Interest rate risk is the risk that fair values of financial assets and liabilities, as reported in the Company's statement of financial position could change due to fluctuations in prevailing levels of market interest rates. All of the Company's financial assets and liabilities are non-interest bearing except of cash and cash equivalents which are placed at short term interest rates.

The directors consider that the Company is not subject to significant amount of risk arising from changes in interest rates on cash and cash equivalents as these are short term in nature and changes in their values or interest cash flows in the event of a change in interest rates will not be material. Therefore, no interest rate risk sensitivity analysis on cash and cash equivalents has been performed. However, changes in interest rates could impact on earnings of entities in which the Company has invested in.

## (b) Credit risk

The Company takes on exposure to credit risk, which is the risk that a counter party will be unable to pay amounts in full when due. Impairment provisions are made for losses that have been incurred at the end of the reporting period, if any. The Company's main credit risk concentration is associated with cash and cash equivalents and other receivables.

The bank balances are held with reputable financial institutions. The credit risk for non-current receivables is considered negligible, since the counter party is a state owned company.

Accordingly, the Company has no significant concentration of credit risk. None of the Company's financial assets are impaired nor past due but not impaired.

## (c) Liquidity risk

Liquidity risk is the risk that the Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as impact of discounting is not significant.

	At Call Rs	Less than 3 month Rs	3 months to 1 year Rs	More than 1 year Rs	Total Rs
<b>Financial liabilities 2019</b>					
Other payables	-	5,007,977			5,007,977
<b>Financial Liabilities 2018</b>					
Other payables	-	15,924,952	-	-	15,924,952

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as and when they fall due. At 30 June 2019, the Company was not exposed to any liquidity risk as it has sufficient cash resources to settle its obligations in full as they fall due.

### 3.2 Fair value estimation

The carrying amounts of financial assets at fair value through profit or loss, other receivables, cash and cash equivalents, borrowings and other payables approximate their fair values.

The fair value of financial assets at fair value through profit or loss that are not traded in an active market is determined by using valuation techniques. The techniques used by the Company are explained in Note 4 (a).

IFRS 13 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significant inputs used in making the measurements:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustments based on observable inputs, that measurement is a level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgements, considering features specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the related market.

The following table presents the Company's assets and liabilities that are measured at fair value:

	Level 1 Rs	Level 2 Rs	Level 3 Rs	Total Rs
<b>At 30 June 2019</b>				
Financial assets designated at FVTPL				
<b>Unquoted equities</b>		269,635,517	533,000,000	802,635,517
<b>At 30 June 2018</b>				
Financial assets designated at FVTPL				
<b>Unquoted equities</b>	-	228,933,516	455,000,000	683,933,516

Cash investments of Rs 139,534,401 (2018: Rs 171,054,984) have not been included in the table above.

### 3.2 Fair value estimation

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements

Description	Valuation technique/ model	Significant unobservable inputs	Relationship of unobservable inputs to fair value	Reasonable possible change	Fair value Rs m	Change in valuation +/- Rs m
<b>Domestic securities</b>						
<b>SICOM Ltd</b>	Dividend Discount Model ("DDM")	Growth rate	A higher/lower growth rate will lead to an increase/decrease in fair value	100 basis points	Rs 528 m	Rs 108 m
		Discount rate	A higher/lower discount rate will lead to an increase/decrease in fair value	50 basis Points		Rs 77m
<b>Smart Dynamic Note - Swan Wealth Structured Products Ltd</b>	Cost	Not applicable	A higher/lower inter- est rate will lead to a decrease/increase in fair value	Not applicable	Rs 5m	Not Applicable

	Loans and receivables 2019 Rs	Financial assets at FVTPL 2019 Rs	Loans and receivables 2018 Rs	Financial assets at FVTPL 2018 Rs
Financial assets at FVTPL		<b>942,169,918</b>		854,988,500
Other receivables (excluding prepayments)	<b>9,624,690</b>	-	28,009,010	
Cash and cash equivalents	<b>65,575,130</b>	-	74,976,703	
	<b>75,199,820</b>	<b>942,169,918</b>	102,985,713	854,988,500
	<b>Financial liabilities at FVTPL 2019 Rs</b>	<b>Other financial liabilities 2019 Rs</b>	<b>Financial liabilities at FVTPL 2018 Rs</b>	<b>Other financial liabilities 2018 Rs</b>
Other Payables	-	<b>5,007,977</b>	-	15,924,952

### 3.3 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns to its shareholder and to maintain an optimal structure to reduce cost of capital.

The Company monitors capital on the basis of gearing ratio, which is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash equivalents. The Company regards "equity" as shown on the statement of financial position as capital. Total capital is calculated as equity plus net debt as shown in the statement of financial position.

The Company was not geared at 30 June 2019 and 2018 as it did not have any borrowings.

## 4. Critical Accounting Estimates and Judgements

The preparation of financial statements in accordance with IFRS requires the Company to exercise its judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgements and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could therefore, by definition, often differ from the related accounting estimates.

Where applicable, the notes to the financial statements set out areas where the Company has applied a higher degree of judgement that have a significant effect on the amounts recognised in the financial statements, or estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

### *Determination of functional currency*

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising thereon are dependent on the functional currency selected. As described in Note 2, the Company has considered those factors therein and have determined that the functional currency of the Company is the "Rs". The Company considers "Rs" as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

### *(a) Fair value of unquoted investments*

When the fair value of financial assets recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are taken from observable markets where possible, but where it is not feasible, a degree of judgement is required in establishing fair value.

### *(b) Impairment of financial assets at fair value through profit or loss*

The Company follows the guidance of IFRS 9 to determine when a financial asset at fair value through profit or loss equity investment is impaired. This determination requires significant judgement. In making this judgement, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

### *c) Asset lives and residual value*

Property and equipment are depreciated over its useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issue such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits or losses on the disposal of similar assets.

### *(d) Depreciation policies*

Property and equipment are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net amount that the Company would currently obtain from the disposal of the asset; if the asset were already of the age and in condition expected at the end of its useful life.

The directors therefore make estimates based on historical experience and use of best judgement to assess the useful lives of assets and to forecast the expected residual values of the assets at the end of their expected useful lives.

## 5. Plant, Property and Equipment

	Building Rs	Computer Equipment Rs	Office equipment Rs	Motor vehicles Rs	Total Rs
<b>Cost</b>					
At 1 July 2017	41,150,738	3,953,455	8,579,182	3,949,652	57,633,027
Additions	-	193,632	-	3,700,000	3,893,632
Disposals	-	-	-	(3,949,652)	(3,949,652)
At 30 June 2018	41,150,738	4,147,087	8,579,182	3,700,000	57,577,007
At 01 July 2018	41,150,738	4,147,087	8,579,182	3,700,000	57,577,007
Additions		232,530			232,530
<b>At 30 June 2019</b>	<b>41,150,738</b>	<b>4,379,617</b>	<b>8,579,182</b>	<b>3,700,000</b>	<b>57,809,537</b>
<b>Accumulated Depreciation</b>					
At 1 July 2017	15,276,827	3,391,557	6,673,772	3,149,652	28,491,808
Charge for the year	2,057,537	260,236	825,545	500,000	3,643,318
Disposal	-	-	-	(3,149,652)	(3,149,652)
At 30 June 2018	17,334,364	3,651,793	7,499,317	500,000	28,985,474
At 01 July 2018	17,334,364	3,651,793	7,499,317	500,000	28,985,474
Charge for the year	2,057,538	227,292	694,446	500,000	3,479,276
<b>At 30 June 2019</b>	<b>19,391,902</b>	<b>3,879,085</b>	<b>8,193,763</b>	<b>1,000,000</b>	<b>32,464,750</b>
<b>Net Book Value</b>					
<b>At 30 June 2019</b>	<b>21,758,836</b>	<b>500,532</b>	<b>385,419</b>	<b>2,700,000</b>	<b>25,344,787</b>
At 30 June 2018	23,816,374	495,294	1,079,865	3,200,000	28,591,533

## 6. Intangible Assets

Software	2019 Rs	2018 Rs
<b>Cost</b>		
At 1 July	2,156,365	2,156,365
Additions		-
At 30 June	2,156,365	2,156,365
<b>Accumulated depreciation</b>		
At 1 July	1,078,182	539,091
Charge for the year	539,091	539,091
At 30 June	1,617,273	1,078,182
<b>Net book value</b>		
At 30 June	539,092	1,078,182



## 7. Financial Assets at Fair Value Through Profit or Loss

### Unquoted Investments

30-Jun-19	Domestic securities	Foreign security	Sub-Funds under NIT Unit Trust	Cash balances held with custodians	Total
	Rs	Rs	Rs	Rs	Rs
<b>At 1 July</b>	455,000,000	61,678,448	167,255,068	171,054,984	854,988,500
Additions	-	40,977,289	-	-	40,977,289
Net movement in cash investments				(34,092,797)	(34,092,797)
Disposals		(6,838,896)			(6,838,896)
Net changes in fair value	78,000,000	2,263,676	4,299,932	2,572,214	87,135,822
<b>At 30 June</b>	<b>533,000,000</b>	<b>98,080,517</b>	<b>171,555,000</b>	<b>139,534,401</b>	<b>942,169,918</b>

### Unquoted Investments

30-Jun-18	Domestic securities	Foreign security	Sub-Funds under NIT Unit Trust	Cash balances held with custodians	Total
	Rs	Rs	Rs	Rs	Rs
<b>At 1 July</b>	455,000,000	104,357,795	131,287,379	65,917,001	756,562,175
Additions	-	-	25,670,080	-	25,670,080
Net movement in cash investments	-			104,433,151	104,433,151
Net changes in fair value	-	(41,532,648)			(41,532,648)
	-	(1,146,699)	10,297,609	704,832	9,855,742
<b>At 30 June</b>	<b>455,000,000</b>	<b>61,678,448</b>	<b>167,255,068</b>	<b>171,054,984</b>	<b>854,988,500</b>

#### (a) Portfolio of domestic securities

Equity Securities	Holdings		Market Value	
	2019 Units	2018 Units	2019 Rs	2018 Rs
Mauritius Shopping Paradise Ltd	18,000	18,000	-	-
State Insurance Company of Mauritius Ltd	30,000	30,000	528,000,000	450,000,000
<b>Debt securities</b>				
Investment in: SWAN Notes (Note (i))	50	50	5,000,000	5,000,000

(i) On 21 June 2016, the Company subscribed to corporate notes amounting to Rs 5 million in Swan Wealth Structured Products Ltd. The corporate notes have a maturity of 5 years and the Company is entitled to a minimum return of 15 % at maturity over the initial investment

#### (b) Portfolio of Foreign Security

Equity	Holdings		Market Value	
	2019 Units	2018 Units	2019 Rs	2018 Rs
LIM Opportunistic Credit Fund 1	178.36	208.68	10,827,073	10,172,730
LIM Opportunistic Credit Fund 2 LP	-	-	41,999,282	52,122,369
LIM Opportunistic Credit Fund 3 LP	-	-	45,254,162	-
<b>Total</b>			<b>98,080,517</b>	<b>62,295,099</b>

### (c) Investment in Sub-Funds incorporated under NIT Unit Trust

Name of Sub Fund	Holdings		Fair Value	
	2019 Units	2018 Units	2019 Rs	2018 Rs
NIT Global Opportunities Fund	12,685,247	12,685,247	16,744,526	16,871,378
NIT North America Fund	2,524,217	2,524,317	35,441,412	32,790,878
NIT Europe Fund	1,608,693	1,608,693	17,454,326	17,357,804
NIT Global Bond Fund	1,622,576	1,622,576	16,128,407	14,992,604
NIT Global Value Fund	2,494,269	2,494,269	30,280,430	31,328,024
NIT Global Healthcare Fund	1,819,403	1,819,403	23,051,840	21,760,064
NIT Emerging Markets Fund	2,724,942	2,724,942	32,454,059	32,154,316
			<b>171,555,000</b>	167,255,068

### (d) Significant Holdings

Details of investments in which the Company holds a 10 % interest or more are set out below:

Name of investee	Class of Shares 2019 & 2018	Holdings 2019	Holdings 2018
Mauritius Shopping Paradise Ltd	Ordinary	15%	15 %
State Insurance Company of Mauritius Ltd	Ordinary	12 %	12 %

## 8. Other Receivables

	2019 Rs	2018 Rs
Receivable from SIC	-	25,713,000
Interest receivable on Swan Notes	450,000	300,000
Amount receivable from related parties (Note 20)	9,624,690	1,996,010
Deposits and prepayments	265,816	201,547
	<b>10,340,506</b>	28,210,557

## 9. Cash and Cash Equivalents

	2019 Rs	2018 Rs
Cash at bank	65,567,448	74,963,858
Cash in hand	7,682	12,845
	<b>65,575,130</b>	74,976,703

## 10. Stated Capital

	2019 Rs	2018 Rs
<b>Issued and Fully Paid</b>		
27,405,000 shares of Rs 10 each	<b>274,050,000</b>	274,050,000

Ordinary shares are not redeemable and confers to the holder one voting right per share and right to receive dividends. On winding up, the holder of an ordinary share will be entitled to surplus on assets.

## 11. Taxation

The Company is subject to income tax at the rate of 15% (2018: 15%) on its tax adjusted profits. The Company is also entitled to Corporate Social Responsibility tax, calculated at 2% on its chargeable income of preceeding year.

### (a) Tax expense

	2019 Rs	2018 Rs
Provision for the year	783,844	872,224
Deferred tax movement for the year	(123,211)	172,887
Under provision of tax deferred tax in previous year	(12,085)	-
	<b>648,548</b>	1,045,111

**(b) Tax (receivable)/liability**

	2019 Rs	2018 Rs
Balance at 1 July	428,938	(1,600,024)
Provision for the year	783,844	872,224
Tax refund/(paid) during the year	(416,853)	1,612,108
Tax paid under APS	(593,451)	(455,370)
Under provision of tax in previous year	(12,085)	-
	<b>190,393</b>	<b>428,938</b>

**(c) Tax reconciliation**

	2019 Rs	2018 Rs
Profit before tax	98,196,736	23,866,451
Income tax rate at 15%	14,729,510	3,579,968
Tax Effect of :		
Non taxable income	(16,456,095)	(5,112,653)
Expenses not deductible for tax purposes	2,404,926	2,323,955
Deferred tax charge/(credit)	(123,211)	172,887
Corporate Social Responsibility tax	105,503	80,955
Over provision of tax in previous years	(12,085)	-
Tax charge	<b>648,548</b>	<b>1,045,111</b>

**(d) Deferred tax liabilities**

	2019 Rs	2018 Rs
At 1 July	523,976	351,089
Deferred income tax movement	(123,211)	172,887
At 30 June	<b>400,765</b>	<b>523,976</b>

**Deferred tax liabilities arise from:**

Accelerated capital allowances	<b>2,671,769</b>	3,493,173
--------------------------------	------------------	-----------

**12. Other Payables**

	2019 Rs	2018 Rs
Accruals	245,511	266,696
Unclaimed Dividends	4,762,466	4,287,074
Amount due to related parties (Note 19 (i))	-	11,371,182
	<b>5,007,977</b>	<b>15,924,952</b>

The terms and conditions of the related party transactions and balances have been disclosed in Note 20.

**13. Investment Income**

	2019 Rs	2018 Rs
Domestic dividends receivable	19,649,952	18,764,028
Exit fees receivable (Note 19(v))	-	82,053
	<b>19,649,952</b>	<b>18,846,081</b>

**14. Management Fees**

	2019 Rs	2018 Rs
Management fees (Note 19(i))	<b>11,916,262</b>	11,496,086

## 15. Interest Income

	2019 Rs	2018 Rs
<b>Interest income on:</b>		
Amount due from NIT Global Opportunities Fund (Note20 (v))	-	73,484
Interest on Corporate Notes	150,000	300,000
Cash and cash equivalents	1,039,303	1,305,660
	<b>1,189,303</b>	<b>1,679,144</b>

## 16. Retirement Benefit Obligations

The Company has set up its own pension fund, the NIT Pension Fund, and has set a defined contribution scheme for its employees as from September 2010. The Company makes the following contribution in respect of each member admitted to the pension scheme.

- 12% of the member's pensionable emoluments plus a further percentage to match 50% of any contribution made by the member, up to a maximum further contribution of 3% of the member's pensionable emoluments.
- a further percentage of the member's pensionable emoluments by mutual agreement between the Company and the member of the pension scheme.

The amounts contributed are included in staff costs and recognised in the statement of profit or loss and other comprehensive income as follows:

	2019 Rs	2018 Rs
<b>Defined contribution pension plan:</b>		
Contributions paid	1,383,553	1,067,234
<b>State pension plan:</b>		
National pension scheme contributions charged	113,184	109,146

## 17. Dividend

	2019 Rs	2018 Rs
<b>Dividend of Re 1.10 (2018: 1.00) per share</b>	<b>30,145,500</b>	<b>27,405,000</b>

## 18. Earnings per Share

	2019 Rs	2018 Rs
Profit for the year	97,548,188	22,821,340
Number of shares	27,405,000	27,405,000
Earnings per share	3.56	0.83

The calculation of basic earnings per share for the year ended 30 June 2019 is based on the income attributable to ordinary equity holders of Rs 97,548,188 (2018: Rs.22,821,340) and the number of shares of 27,405,000 (2018:27,405,000)

## 19. Related Party Transactions

Related parties are individuals and companies where the individual or company, directly or indirectly, has the ability to control the other party or exercise significant influence over the other party in making financial and operational decisions.

The Company is making the following disclosures in respect of related party transactions:

Name of Sub Fund	2019 Rs	2018 Rs
<b>Outstanding balances</b>		
<i>Receivables from / (payables to) related parties</i>		
NIT Local Equity	<b>1,094,322</b>	1,249,706
NIT Global Opportunities Fund	<b>4,458,074</b>	(4,466,404)
NIT Global Bond Fund	<b>14,319</b>	(36,956)
NIT Global Value Fund	<b>901,631</b>	390,893
NIT North America Fund	<b>79,960</b>	(1,605,825)
NIT Europe Fund	<b>2,825,962</b>	355,411
NIT Emerging Markets Fund	<b>80,146</b>	(3,669,543)
NIT Global Healthcare Fund	<b>61,411</b>	(1,592,454)
NIT Pension Funds	<b>108,865</b>	-
	<b>9,624,690</b>	(9,375,172)

Transactions	2019 Rs	2018 Rs
<b>(i) Management fees</b>		
- NIT Local Equity Fund	<b>5,655,874</b>	6,084,604
- NIT Global Opportunities Fund	<b>4,765,420</b>	3,920,223
- New funds	<b>1,494,968</b>	1,491,260
	<b>11,916,262</b>	11,496,087
<b>(ii) Acquisition of securities</b>		
- NIT Global Opportunities Fund	-	17,000,000
- NIT Global Healthcare Fund	-	4,955,449
- NIT Global Value Fund	-	3,714,631
	-	25,670,080
<b>(iii) Interest receivable</b>		
- NIT Global Opportunities Fund (Note 15)	-	73,484
<b>(iv) Exit fees</b>		
- NIT Local Equity Fund	-	70,720
- NIT Global Opportunities Fund	-	11,333
		82,053
<b>(v) Key Management Personnel</b>		
Compensation to key management personnel	<b>6,427,465</b>	6,422,747

**Note:**

(iii) The amount due from NIT Global Opportunities Fund ("GOF") carried interest at the rate of 1.5%. Effective, January 2018, no interest were charged on amount receivable from GOF.

## 20. Commitments

### LIM Opportunistic Credit Fund 3LP

The Board of Directors approved the investment of Rs 109,275,000 (equivalent to USD 3,100,000) in LIM Opportunistic Credit Fund 3 LP on 28 November 2018. Investments are made by instalments based on a "Capital Call Notice". At 30 June 2019, the 'Capital Commitment Drawn Down' was Rs 44,626,288 (equivalent to USD 1,265,994) and the 'Undrawn Capital Commitment' was as follows:

	2019 Rs	2018 Rs
Capital commitment	<b>109,275,000</b>	-
Capital commitment drawn down	<b>(44,626,289)</b>	-
Increase in commitment due to fluctuation in exchange rate	-	-
Undrawn capital commitment	<b>64,648,712</b>	-

# NIT Unit Trust

The NIT Unit Trust (the "Trust") was initially established in Mauritius on 19th & 26th October 2007 by way of a Trust Deed.

The Trust and its sub-funds (collectively "the Funds") are authorised as Collective Investment Scheme under the Securities Act 2005 on 15 January 2013.

As an authorised Collective Investment Scheme, the Funds comply with the Securities Act 2005 and the Securities Act (Collective Investment Schemes and Closed-End Funds) Regulations 2008.

The NIT Unit Trust consisted of eight sub-funds at June 30, 2019.

The Funds have not been registered for distribution in any other jurisdiction than Mauritius.

Overseas Funds	Description
<b>NIT Local Equity</b>	An equity fund holding mostly blue-chips domestically quoted securities
<b>NIT Global Opportunities</b>	Our flagship international fund which is well balanced in terms of geographical exposure – It reflects the House's view!
<b>NIT North America</b>	A selection of high-profile North American equity funds
<b>NIT Europe</b>	A selection of high-profile European equity funds
<b>NIT Emerging Markets</b>	A selection of high-profile Emerging Markets equity funds
<b>NIT Global Bond</b>	A selection of high-profile international fixed-income funds
<b>NIT Global Healthcare</b>	A selection of high-profile equity funds targeting global pharmaceutical, biotechnology, healthcare services, medical technology and life sciences companies
<b>NIT Global Value</b>	A selection of international equity funds targeting sectors where we see value!

## MANAGER AND TRUSTEE RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Manager and the Trustee are responsible for preparation of the financial statements in accordance with International Financial Reporting Standards and per requirements of the Trust Deed which presents fairly the financial position, financial performance, changes in net assets attributable to the unitholders and cash flows of the Funds. In preparing those financial statements, the Manager and the Trustee are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether International Financial Reporting Standards, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Funds will continue in business.

The Manager and the Trustee confirm that they have complied with the above requirements in preparing the financial statements.

The Manager and the Trustee are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Funds and to enable them to ensure that the financial statements comply with the Trust Deed. They are also responsible for safeguarding the Fund's assets and hence for taking reasonable steps in prevention and detection of fraud and irregularities.

## CUSTODIAN

The Funds have engaged the services of SBM Custody Securities Services Ltd, a subsidiary of State Bank of Mauritius Ltd, to provide custodian services for a fee. The fees paid to the Custodian is disclosed in Note 11 to the financial statements.

# Independent Auditor's Report to the unitholders of the sub-funds of the NIT Unit Trust

## Report on the Financial Statements

### Opinion

We have audited the financial statements of the sub-funds of the NIT Unit Trust which comprise of the statements of financial position at 30 June 2019, the statements of profit or loss and other comprehensive income, the statements of changes in net assets attributable to unitholders and statements of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes set out on pages 49 to 94.

In our opinion, the financial statements on pages 49 to 94 give a true and fair view of the financial position of the sub-funds of the NIT Unit Trust as at 30 June 2019, and of their financial performance and cash flows for the year ended in accordance with International Financial Reporting Standards and comply with the requirements of the Trust Deed.

### Basis for Opinion

We have conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the fund and in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

### Independence

We are independent of the Manager and Trustee in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

### Other information

The Manager and Trustee are responsible for the other information. The other information comprises of the Manager and Trustee Report which we obtained prior to the date of the audit report. Other information does not include the financial statements and our audit report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise

appears to be materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Manager and Trustee

The Manager and Trustee are responsible for the preparation and fair presentation of these financial statements in accordance with IFRS and in compliance with the Trust Deed. They are also responsible for such internal control as they determine is necessary to enable the preparation of the financial statements that are free from material misstatement whether due to fraud or error.

In preparing the financial statements, the Manager and Trustee are responsible for assessing the Funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager and Trustee either intends to liquidate the funds or to cease operations, or have no realistic alternative but to do so.

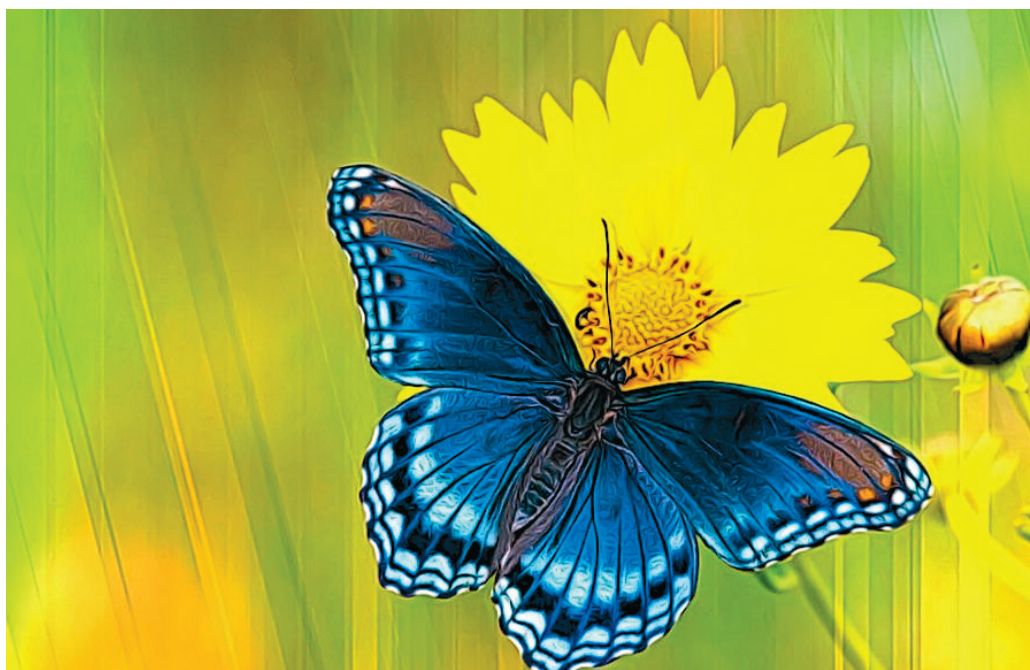
Those charged with governance are responsible for overseeing the funds' financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Manager and Trustee.
- Conclude on the appropriateness of the Manager's and Trustee use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Other matter

This report, is made solely to the Funds' unitholders, as a body. Our audit work has been undertaken so that we might to state the fund's' unitholders those matters we are required to state to them in an audit report and for no other purpose. We do not accept or assume responsibility to anyone other than the Funds and the Funds' unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

*Mazars*

Mazars

*Udaysingh*

Udaysingh Taukoordass, FCA  
Licensed by FRC  
27 September 2019



# NIT Unit Trust Financial Statements & Notes to the Account | for the year ended 30 June 2019

## Statement of Profit or Loss | and other Comprehensive Income for the year ended 30 June 2019 for the NIT Local Equity Fund and the NIT Global Opportunities Fund

	Notes	NIT Local Equity Fund		NIT Global Opportunities Fund	
		2019 Rs	2018 Rs	2019 Rs	2018 Rs
<b>Income</b>					
Dividend income		<b>16,301,116</b>	18,072,173	<b>2,111,956</b>	2,239,980
Interest income		<b>769,263</b>	261,728	-	
		<b>17,070,379</b>	18,333,901	<b>2,111,956</b>	2,239,980
<b>Expenses</b>					
Management fees	10	<b>(5,655,874)</b>	(6,119,219)	<b>(4,765,420)</b>	(4,184,193)
Custodian Fees		<b>(521,651)</b>	(603,432)	<b>(578,519)</b>	(480,777)
Trustee fees	11	<b>(150,000)</b>	(150,000)	<b>(150,000)</b>	(150,000)
Printing and Stationeries		<b>(130,000)</b>	(130,000)	<b>(130,000)</b>	(130,000)
Audit fees non-audit fees		<b>(98,763)</b>	(118,025)	<b>(87,263)</b>	(95,075)
Bank charges		<b>(4,443)</b>	(3,715)	<b>(2,725)</b>	(2,480)
General expenses		<b>(2,213)</b>	(1,246)	<b>(1,024)</b>	(1,577)
<b>Total Operating Expenses</b>		<b>(6,562,944)</b>	(7,125,637)	<b>(5,714,951)</b>	(5,044,102)
<b>Net operating income/(loss)</b>		<b>10,507,435</b>	11,208,264	<b>(3,602,995)</b>	(2,804,122)
<b>Equalisation</b>					
Income received on units created		<b>50,566</b>	134,529	-	(183,359)
Amounts paid on units liquidated		<b>(71,115)</b>	(510,296)	-	111,396
		<b>(20,549)</b>	(375,767)	-	(71,963)
Net Income/(Loss) before taxation		<b>10,486,886</b>	10,832,497	<b>(3,602,995)</b>	(2,876,085)
Taxation	13	<b>(74,232)</b>	(30,664)	-	-
<b>Net Income/(Loss) after taxation available for distribution</b>		<b>10,412,654</b>	10,801,833	<b>(3,602,995)</b>	(2,876,085)
Finance cost (excluding increase/decrease in net assets attributable to unitholders)				-	(73,484)
				<b>(3,602,995)</b>	(2,949,569)
Distributions to unitholders	9	<b>(10,412,654)</b>	(10,801,833)	-	-
<b>Net income</b>					
Changes in fair value on financial assets at FVTPL	5	<b>(68,942,026)</b>	35,695,517	<b>(9,612,593)</b>	2,559,805
(Loss)/Profit on disposal of financial assets at FVTPL		<b>13,426,534</b>	(999,078)	<b>9,671,805</b>	39,187,481
<b>Net foreign currency gains on cash and cash equivalents</b>		-	-	<b>482,590</b>	167,759
<b>(Decrease)/ Increase in net assets attributable to unitholders</b>		<b>(55,515,492)</b>	34,696,439	<b>(3,061,193)</b>	38,965,476

The notes on pages 63 to 94 form an integral part of the financial statements.

## Statement of Profit or Loss | and other Comprehensive Income for the year ended 30 June 2019 for the NIT North America Fund and the NIT Europe Fund

	Notes	NIT North America Fund		NIT NIT Europe Fund	
		2019 Rs	2018 Rs	2019 Rs	2018 Rs
<b>Income</b>		-	40,867	-	-
<b>Expenses</b>					
Management fees	10	(355,458)	(310,099)	(181,551)	(202,517)
Custodian Fees		(57,281)	(42,318)	(44,869)	(47,334)
Trustee fees	11	(60,000)	(60,000)	(60,000)	(60,000)
Printing and Stationeries		(34,018)	(33,187)	(34,018)	(33,187)
Audit fees		(10,000)	(10,000)	(10,000)	(10,000)
Bank charges		(2,495)	(920)	(2,495)	(1,380)
General expenses		(1,255)	(768)	(1,254)	(652)
<b>Total Operating Expenses</b>		<b>(520,507)</b>	<b>(457,292)</b>	<b>(334,187)</b>	<b>(355,070)</b>
<b>Net Income/(Loss) before taxation</b>		<b>(520,507)</b>	<b>(416,425)</b>	<b>(334,187)</b>	<b>(355,070)</b>
Taxation	13	-	-	-	-
<b>Net Income/(Loss) after taxation</b>		<b>(520,507)</b>	<b>(416,425)</b>	<b>(334,187)</b>	<b>(355,070)</b>
Changes in fair value 5 on financial assets at FVTPL	5	1,550,794	2,080,275	124,653	187,660
(Loss)/Profit on disposal of financial assets at FVTPL		1,488,439	1,813,985	-	825,175
Net foreign currency gains/ (loss) on cash and cash equivalents		243,183	240,386	118,152	(191,563)
<b>Increase/ (decrease) in net assets attributable to unitholders</b>		<b>2,761,909</b>	<b>3,718,221</b>	<b>(91,382)</b>	<b>466,202</b>

The notes on pages 63 to 94 form an integral part of the financial statements.

## Statement of Profit or Loss | and other Comprehensive Income for the year ended 30 June 2019 for the NIT Emerging markets Fund and the NIT Global Bond Fund

	Notes	NIT Emerging markets Fund		NIT Global Bond Fund	
		2019 Rs	2018 Rs	2019 Rs	2018 Rs
<b>Income</b>		-	-	<b>31,205</b>	30,757
<b>Expenses</b>					
Management fees	10	<b>(355,136)</b>	(339,420)	<b>(97,238)</b>	(96,943)
Custodian Fees		<b>(51,564)</b>	(60,744)	<b>(34,896)</b>	(32,907)
Trustee fees		<b>(60,000)</b>	(60,000)	<b>(60,000)</b>	(60,000)
Printing and Stationeries		<b>(10,000)</b>	(10,000)	<b>(10,000)</b>	(10,000)
Audit fees		<b>(34,018)</b>	(33,188)	<b>(34,018)</b>	(33,188)
Bank charges		<b>(2,495)</b>	(1,495)	<b>(2,495)</b>	(1,695)
General expenses		<b>(1,254)</b>	(767)	<b>(1,289)</b>	(1,783)
<b>Total Operating Expenses</b>		<b>(514,467)</b>	(505,614)	<b>(239,936)</b>	(236,516)
Net Loss before taxation	13	<b>(514,467)</b>	(505,614)	<b>(208,731)</b>	(205,759)
Taxation		-	-	<b>(3,237)</b>	(913)
<b>Net Loss after taxation available for distribution</b>		<b>(514,467)</b>	(505,614)	<b>(211,968)</b>	(206,672)
Changes in fair value of financial assets at FVTPL	5	<b>(1,555,902)</b>	152,002	<b>1,494,055</b>	(307,296)
(Loss)/Profit on disposal of financial assets at FVTPL		<b>2,174,629</b>	1,762,465	<b>(80,163)</b>	-
<b>Net foreign currency gains on cash and cash equivalents</b>		<b>189,606</b>	87,182	<b>6,945</b>	-
<b>Increase/ (decrease) in net assets attributable to unitholders</b>		<b>293,866</b>	1,496,035	<b>1,208,869</b>	(513,968)

The notes on pages 63 to 94 form an integral part of the financial statements.

## Statement of Profit or Loss | and other Comprehensive Income for the year ended 30 June 2019 for the NIT Global Healthcare Fund and the NIT Global Value Fund

	Notes	NIT Healthcare Fund		NIT Global Value Fund	
		2019 Rs	2018 Rs	2019 Rs	2018 Rs
<b>Income</b>					
Dividend Income		-	-	<b>118,303</b>	59,124
<b>Expenses</b>					
Management fees	10	<b>(284,065)</b>	(215,928)	<b>(339,738)</b>	(326,353)
Custodian Fees		<b>(54,808)</b>	(53,476)	<b>(65,573)</b>	(66,418)
Trustee fees		<b>(60,000)</b>	(60,000)	<b>(60,000)</b>	(60,000)
Printing and Stationeries		<b>(10,000)</b>	(10,000)	<b>(10,000)</b>	(10,000)
Audit fees		<b>(34,018)</b>	(33,187)	<b>(34,018)</b>	(33,188)
Bank charges		<b>(2,495)</b>	(920)	<b>(1,289)</b>	(1,250)
General expenses		<b>(1,254)</b>	(767)	<b>(3,119)</b>	(1,272)
<b>Total Operating Expenses</b>		<b>(446,640)</b>	(374,278)	<b>(513,737)</b>	(498,481)
Net Loss before taxation		<b>(446,640)</b>	(374,278)	<b>(395,434)</b>	(439,357)
Taxation	13	-	-	<b>(830)</b>	(6,230)
<b>Net Loss after taxation available for distribution</b>		<b>(446,640)</b>	(374,278)	<b>(396,264)</b>	(445,587)
Changes in fair value on financial assets at FVTPL	5	<b>2,112,817</b>	3,243,836	<b>(1,561,364)</b>	1,428,885
Profit on disposal of financial assets at FVTPL		-	580,049	<b>674,717</b>	1,953,806
<b>Net foreign currency gains/ (loss) on cash and cash equivalents</b>		<b>(743)</b>	(74,706)	<b>16,089</b>	8,856
<b>Increase/ (decrease) in net assets attributable to unitholders</b>		<b>1,665,434</b>	3,374,901	<b>(1,266,822)</b>	2,945,960

The notes on pages 63 to 94 form an integral part of the financial statements.

## Statement of Financial Position | At 30 June 2019 for the NIT Local Equity Fund and the NIT Global Opportunities Fund

Notes	NIT Local Equity Fund		NIT Global Opportunities Fund		
	2019 Rs	2018 Rs	2019 Rs	2018 Rs	
<b>Assets</b>					
<b>Non-Current Assets</b>					
Financial assets at FVTPL	5	<b>495,129,090</b>	561,128,570	<b>304,138,234</b>	322,177,215
<b>Current Assets</b>					
Other receivables	6	<b>1,306,493</b>	1,908,179	-	4,466,403
Cash and cash equivalents	7	<b>46,988,456</b>	31,475,165	<b>93,447,434</b>	72,960,749
		<b>48,294,949</b>	33,383,344	<b>93,447,434</b>	77,427,152
<b>Total Assets</b>		<b>543,424,039</b>	594,511,914	<b>397,585,668</b>	399,604,367
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Other payables	8	<b>1,394,773</b>	1,550,156	<b>4,821,694</b>	624,327
Distribution to unitholders	9	<b>10,412,654</b>	10,801,833	-	-
Taxation	13	<b>56,232</b>	19,710	-	-
<b>Total Liabilities (excluding net assets attributable to unitholders)</b>		<b>11,863,659</b>	12,371,699	<b>4,821,694</b>	624,327
<b>Net Assets attributable to Unitholders</b>		<b>531,560,380</b>	582,140,215	<b>392,763,974</b>	398,980,040

Approved by the Manager and authorised for issue on 27 September 2019



**Manager**  
National Investment Trust Ltd

The notes on pages 63 to 94 form an integral part of the financial statements.

## Statement of Financial Position | At 30 June 2019 for the NIT North America Fund and the NIT Europe Fund

	Notes	NIT North America Fund		NIT Europe Fund	
		2019 Rs	2018 Rs	2019 Rs	2018 Rs
<b>Assets</b>					
<b>Non-Current Assets</b>					
Financial assets at FVTPL	5	<b>23,002,035</b>	25,046,580	<b>18,036,790</b>	14,421,031
<b>Current Assets</b>					
Other receivables	6	-	1,605,825	-	-
Cash and cash equivalents	7	<b>14,946,419</b>	8,389,285	<b>2,648,679</b>	6,094,275
		<b>14,946,419</b>	9,995,110	<b>2,648,679</b>	6,094,275
<b>Total Assets</b>		<b>37,948,454</b>	35,041,690	<b>20,685,469</b>	20,515,306
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Other payables	8	<b>161,358</b>	109,504	<b>2,908,050</b>	455,479
Total Liabilities (excluding net assets attributable to unitholders)		<b>161,358</b>	109,504	<b>2,908,050</b>	455,479
<b>Net Assets attributable to Unitholders</b>		<b>37,787,096</b>	34,932,186	<b>17,777,419</b>	20,059,827

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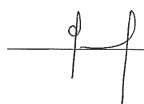
**Manager**  
National Investment Trust Ltd

The notes on pages 63 to 94 form an integral part of the financial statements.

## Statement of Financial Position | At 30 June 2019 for the NIT Emerging markets Fund and the NIT Global Bond Fund

	Notes	NIT Emerging Markets Fund		NIT Global Bond Fund	
		2019 Rs	2018 Rs	2019 Rs	2018 Rs
<b>Assets</b>					
<b>Non-Current Assets</b>					
Financial assets at FVTPL	5	<b>15,774,304</b>	24,267,975	<b>13,760,825</b>	15,225,221
<b>Current Assets</b>					
Other receivables	6	-	3,669,543	-	36,956
Cash and cash equivalents	7	<b>21,280,808</b>	8,751,281	<b>3,630,085</b>	868,478
Income tax recoverable	13	-	-	-	7,079
		<b>21,280,808</b>	12,420,824	<b>3,630,085</b>	912,513
<b>Total Assets</b>		<b>37,055,112</b>	36,688,799	<b>17,390,910</b>	16,137,734
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Other payables	8	<b>161,877</b>	111,008	<b>92,631</b>	87,324
Total Liabilities (excluding net assets attributable to unitholders)		<b>161,877</b>	111,008	<b>92,631</b>	87,324
<b>Net Assets attributable to Unitholders</b>		<b>36,893,235</b>	36,577,791	<b>17,298,279</b>	16,050,410

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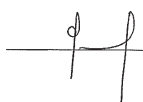
**Manager**  
National Investment Trust Ltd

The notes on pages 63 to 94 form an integral part of the financial statements.

## Statement of Financial Position | At 30 June 2019 for the NIT Global Healthcare Fund and the NIT Global Value Fund

	Notes	NIT Global Healthcare Fund		NIT Global Value Fund	
		2019 Rs	2018 Rs	2019 Rs	2018 Rs
<b>Assets</b>					
<b>Non-Current Assets</b>					
Financial assets at FVTPL	5	<b>26,318,320</b>	24,205,503	<b>26,645,087</b>	27,799,698
<b>Current Assets</b>					
Other receivables	6	-	1,592,454	-	-
Cash and cash equivalents	7	<b>3,860,037</b>	2,448,081	<b>9,167,669</b>	8,765,104
Income tax recoverable		-	-	-	4,671
		<b>3,860,037</b>	4,040,535	<b>9,167,669</b>	8,769,775
<b>Total Assets</b>		<b>30,178,357</b>	28,246,038	<b>35,812,756</b>	36,569,473
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Other payables	8	<b>140,209</b>	102,324	<b>986,803</b>	515,698
Total Liabilities (excluding net assets attributable to unitholders)		<b>140,209</b>	102,324	<b>986,803</b>	515,698
<b>Net Assets attributable to Unitholders</b>		<b>30,038,148</b>	28,143,714	<b>34,825,953</b>	36,053,775

Approved by the Manager and authorised for issue on 27 September 2019.



**Manager**  
National Investment Trust Ltd

The notes on pages 63 to 94 form an integral part of the financial statements.



## Statement of Changes in Net Assets | attributable for the year ended 30 June 2019 to Unitholders of the NIT Local Equity Fund and the NIT Global Opportunities Fund

	Notes	NIT Local Equity Fund		NIT Global Opportunities Fund	
		2019 Rs	2018 Rs	2019 Rs	2018 Rs
<b>Net Assets Attributable to Unitholders at 1 July</b>		<b>582,140,215</b>	571,333,954	<b>398,980,040</b>	344,115,047
Unitholders contributions/ (withdrawals)					
Creation of units	14	<b>246,466</b>	1,026,865	<b>700,628</b>	37,715,893
Redemption of units	14	<b>(6,065,308)</b>	(36,244,456)	<b>(3,855,501)</b>	(21,816,376)
<b>Change in net assets attributable to unitholders resulting from net creation and redemption of units</b>		<b>(5,818,842)</b>	(35,217,591)	<b>(3,154,873)</b>	15,899,517
Distribution	9	<b>10,754,499</b>	11,327,413	-	-
		<b>4,935,657</b>	(23,890,178)	-	-
<b>(Decrease)/ Increase in net assets attributable to unitholders</b>		<b>(55,515,492)</b>	34,696,439	<b>(3,061,193)</b>	38,965,476
<b>Net Assets attributable to Unitholders at 30 June</b>		<b>531,560,380</b>	582,140,215	<b>392,763,974</b>	398,980,040
<b>Number of units</b>	14	<b>646,337,077</b>	640,950,964	<b>295,805,529</b>	298,299,275
<b>Net Assets Value per unit</b>		<b>0.82</b>	0.91	<b>1.33</b>	1.34

## Statement of Changes in Net Assets | attributable to Unitholders for the year ended 30 June 2019 for the NIT North America Fund and the NIT Europe Fund

	Notes	NIT North America Fund		NIT Europe Fund	
		2019 Rs	2018 Rs	2019 Rs	2018 Rs
<b>Net Assets Attributable to Unitholders at 1 July</b>		<b>34,932,187</b>	29,193,806	<b>20,059,827</b>	19,745,416
Cash received for units created	14	<b>93,000</b>	2,045,000	<b>76,000</b>	51,000
Cash paid for units liquidated	14	-	(24,840)	<b>(2,267,026)</b>	(202,791)
<b>Change in net assets attributable to unitholders resulting from net creation and redemption of units</b>		<b>35,025,187</b>	31,213,966	<b>(2,191,026)</b>	(151,791)
Increase in net assets attributable to unitholders		<b>2,761,909</b>	3,718,221	<b>(91,382)</b>	466,202
<b>Net Assets attributable to Unitholders at 30 June</b>		<b>37,787,096</b>	34,932,187	<b>17,777,419</b>	20,059,827
<b>Number of units issued at 30 June</b>	14	<b>2,690,155</b>	2,683,515	<b>1,637,487</b>	1,859,132
<b>Net Assets Value per unit at 30 June</b>		<b>14.05</b>	13.02	<b>10.86</b>	10.79

The notes on pages 63 to 94 form an integral part of the financial statements.

## Statement of Changes in Net Assets | attributable to Unitholders for the year ended 30 June 2019 for the NIT Emerging Markets Fund and the NIT Global Bond Fund

	Notes	NIT Emerging Market Fund		NIT Global Bond Fund	
		2019 Rs	2018 Rs	2019 Rs	2018 Rs
<b>Net Assets Attributable to Unitholders at 1 July</b>		<b>36,577,791</b>	31,229,559	<b>16,050,410</b>	16,509,376
<b>Unitholders contributions/ (withdrawals)</b>					
Creation of units	14	<b>124,500</b>	4,498,000	<b>39,000</b>	55,002
Redemption of units	14	<b>(102,922)</b>	(645,803)	-	-
<b>Change in net assets attributable to unitholders resulting from net creation and redemption of units</b>		<b>21,578</b>	3,852,197	<b>39,000</b>	55,002
<b>Increase/(Decrease) in net assets attributable to unitholders</b>		<b>293,866</b>	1,496,035	<b>1,208,869</b>	(513,968)
<b>Net Assets Attributable to Unitholders at 30 June</b>		<b>36,893,235</b>	36,577,791	<b>17,298,279</b>	16,050,410
<b>Number of units</b>		<b>3,096,682</b>	3,094,996	<b>1,739,935</b>	1,735,859
<b>Net Assets Value per unit</b>		<b>11.91</b>	11.82	<b>9.94</b>	9.25

## Statement of Changes in Net Assets | attributable to Unitholders for the year ended 30 June 2019 for the NIT Global Healthcare Fund and the NIT Global Value Fund

	Notes	NIT Global Healthcare Fund		NIT Global Value Fund	
		2019 Rs	2018 Rs	2019 Rs	2018 Rs
<b>Net Assets Attributable to Unitholders at 1 July</b>		<b>28,143,714</b>	17,737,992	<b>36,053,775</b>	27,353,424
<b>Unitholders contributions/ (withdrawals)</b>					
Creation of units	14	<b>229,000</b>	7,055,500	<b>39,000</b>	5,812,938
Redemption of units	14	-	(24,679)	-	(58,547)
<b>Change in net assets attributable to unitholders resulting from net creation and redemption of units</b>		<b>229,000</b>	7,030,821	<b>39,000</b>	5,754,391
<b>Increase/ (decrease) in net assets attributable to unitholders</b>		<b>1,665,434</b>	3,374,901	<b>(1,266,822)</b>	2,945,960
<b>Net Assets Attributable to Unitholders at 30 June</b>		<b>30,038,148</b>	28,143,714	<b>34,825,953</b>	36,053,775
<b>Number of units issued at 30 June</b>	14	<b>2,369,725</b>	2,351,529	<b>2,868,381</b>	2,865,175
<b>Net Assets Value per unit</b>		<b>12.68</b>	11.97	<b>12.14</b>	12.58

The notes on pages 63 to 94 form an integral part of the financial statements.

## Statement of Cash Flows | At 30 June 2019 for the NIT Local Equity Fund and the NIT Global Opportunities Fund

	Notes	NIT Local Equity Fund		NIT Global Opportunities Fund	
		2019 (Rs)	2018 Rs	2019 Rs	2018 (Rs)
<b>Cash flow from operating activities</b>					
Net income/(loss) before taxation		<b>10,486,886</b>	10,832,497	<b>(3,602,995)</b>	(2,949,569)
<b>Adjustments for:</b>					
Interest (income)/expenses	12	<b>(769,263)</b>	(261,728)	-	73,484
Income received on units created arising from distribution		<b>(47,334)</b>	(118,229)	-	-
Operating profit before working capital changes		<b>9,670,289</b>	10,452,540	<b>(3,602,995)</b>	(2,876,085)
Decrease/(increase) in receivables		<b>601,686</b>	330,681	<b>4,466,403</b>	(4,466,403)
(Decrease)/increase in payables		<b>(155,383)</b>	(140,399)	<b>4,197,367</b>	(9,666,776)
<b>Cash generated/ (used in) from operating activities</b>		<b>10,116,592</b>	10,642,822	<b>5,060,775</b>	(17,009,264)
Payment for purchases of financial assets at FVTPL	5	<b>(20,669,008)</b>	(5,026,644)	<b>(51,213,846)</b>	(77,361,135)
Proceeds from sale of financial assets at FVTPL		<b>31,152,996</b>	45,540,935	<b>69,312,039</b>	146,671,483
Interest income received		<b>769,263</b>	261,728	-	-
Interest paid		-	-	-	(73,484)
Net income tax (paid)/ refund		<b>(37,710)</b>	18,759	-	-
<b>Net cash generated from operating activities</b>		<b>21,332,133</b>	51,437,600	<b>23,158,968</b>	52,227,600
<b>Cash flow from financing activities:</b>					
Proceeds from issue of units	14	<b>246,466</b>	1,026,865	<b>700,628</b>	37,715,893
Redemption of units	14	<b>(6,065,308)</b>	(36,244,456)	<b>(3,855,501)</b>	(21,816,376)
<b>Net cash (used in)/ generated from financing activities</b>		<b>(5,818,842)</b>	(35,217,591)	<b>(3,154,873)</b>	15,899,517
<b>Net increase in cash and cash equivalents</b>		<b>15,513,291</b>	16,220,009	<b>20,004,095</b>	68,127,117
Cash and cash equivalent at the beginning of the year		<b>31,475,165</b>	15,255,156	<b>72,960,749</b>	4,665,873
Exchange gains on cash and cash equivalents		-	-	<b>482,590</b>	167,759
<b>Cash and cash equivalent at end of the year</b>	7	<b>46,988,456</b>	31,475,165	<b>93,447,434</b>	72,960,749

The notes on pages 63 to 94 form an integral part of the financial statements.

## Statement of Cash Flows | At 30 June 2019 for the NIT North America Fund and the NIT Europe Fund

	Notes	NIT North America Fund		NIT Europe Fund	
		2019 (Rs)	2018 Rs	2019 Rs	2018 (Rs)
<b>Cash flow from operating activities</b>					
Net income/(loss) before taxation		<b>(520,507)</b>	(416,425)	<b>(334,187)</b>	(355,070)
<b>Operating loss before working capital changes</b>					
Increase in receivables		<b>1,605,825</b>	(1,605,825)	-	-
(Decrease)/increase in payables		<b>51,854</b>	30,562	<b>2,452,571</b>	326,628
<b>Net Cash (used in)/generated from operating activities</b>		<b>1,137,172</b>	(1,991,688)	<b>2,118,384</b>	(28,442)
Proceeds from sale of financial assets at FVTPL	5	<b>5,083,779</b>	8,075,994	-	6,169,272
Payment for purchase of financial assets at fair value through profit or loss	5	-	-	<b>(3,491,106)</b>	-
<b>Net cash (used in)/generated from operating activities</b>		<b>6,220,951</b>	6,084,306	<b>(1,372,722)</b>	6,140,830
<b>Cash flow from financing activities:</b>					
Proceeds from issue of units	14	<b>93,000</b>	2,045,000	<b>76,000</b>	51,000
Cash paid for units liquidated	14	-	(24,840)	<b>(2,267,026)</b>	(202,791)
<b>Net cash used in financing activities</b>		<b>93,000</b>	2,020,160	<b>(2,191,026)</b>	(151,791)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>6,313,951</b>	8,104,466	<b>(3,563,748)</b>	5,989,039
<b>Cash and cash equivalent at the beginning of the year</b>		<b>8,389,285</b>	44,433	<b>6,094,275</b>	296,799
Exchange (losses)/gains on cash and cash equivalents		<b>243,183</b>	240,386	<b>118,152</b>	(191,563)
<b>Cash and cash equivalent at end of the year</b>		<b>14,946,419</b>	8,389,285	<b>2,648,679</b>	6,094,275

The notes on pages 63 to 94 form an integral part of the financial statements.

## Statement of Cash Flows | At 30 June 2019 for the NIT Emerging markets Fund and the NIT Global Bond Fund

	Notes	NIT Emerging Market Fund		NIT Global Bond Fund	
		2019 Rs	2018 Rs	2019 Rs	2018 Rs
<b>Cash flow from operating activities</b>					
Net loss before taxation		<b>(514,467)</b>	(505,614)	<b>(208,731)</b>	(205,759)
<b>Operating loss before working capital changes</b>					
Decrease/(increase) in receivables		<b>3,669,543</b>	(3,669,543)	<b>36,956</b>	88,026
(Decrease)/increase in payables		<b>50,869</b>	(63,428)	<b>5,307</b>	32,324
<b>Cash (used in)/generated from operating activities</b>					
		<b>3,205,945</b>	(4,238,585)	<b>(166,468)</b>	(85,409)
Payment for purchases of financial assets at FVTPL	5	<b>(2,820,000)</b>	-	-	-
Proceeds from sale of financial assets at FVTPL	5	<b>11,932,398</b>	8,567,381	<b>2,878,288</b>	-
Tax (paid)/ Refund		-	-	<b>3,842</b>	(12,494)
<b>Net cash generated from operating activities</b>					
		<b>12,318,343</b>	4,328,796	<b>2,715,662</b>	(97,903)
<b>Cash flow from financing activities:</b>					
Proceeds from issue of units	14	<b>124,500</b>	4,498,000	<b>39,000</b>	55,002
Cash paid for units liquidated	14	<b>(102,922)</b>	(645,803)	-	-
<b>Net cash generated from financing activities</b>					
		<b>21,578</b>	3,852,197	<b>39,000</b>	55,002
<b>Net increase/ (decrease) in cash and cash equivalents</b>					
		<b>12,339,921</b>	8,180,993	<b>2,754,662</b>	(42,901)
Cash and cash equivalent at the beginning of the year		<b>8,751,281</b>	483,106	<b>868,478</b>	911,379
Net foreign currency gains on cash and cash equivalents		<b>189,606</b>	87,182	<b>6,945</b>	-
<b>Cash and cash equivalent at end of the year</b>					
	7	<b>21,280,808</b>	8,751,281	<b>3,630,085</b>	868,478

The notes on pages 63 to 94 form an integral part of the financial statements.

## Statement of Cash Flows | At 30 June 2019 for the NIT Global Healthcare Fund and the NIT Global Value Fund

	Notes	NIT Global Healthcare Fund		NIT Global Value Fund	
		2019 Rs	2018 Rs	2019 Rs	2018 Rs
<b>Cash flow from operating activities</b>					
Net loss before taxation		<b>(446,640)</b>	(374,278)	<b>(395,434)</b>	(439,357)
<b>Operating loss before working capital changes</b>					
Increase/ (decrease) in receivables		<b>1,592,454</b>	(1,592,454)	-	34,421
Increase in other payables		<b>37,885</b>	20,489	<b>471,105</b>	460,698
<b>Cash (used in)/generated from operating activities</b>		<b>1,183,699</b>	(1,946,243)	<b>75,671</b>	55,762
Payment for purchases of financial assets at FVTPL	5	-	(10,283,626)	<b>(4,518,909)</b>	(14,732,663)
Proceeds from sale of financial assets at FVTPL	5	-	7,589,794	<b>4,790,714</b>	15,368,310
Income Tax Paid		-	-	-	(10,901)
<b>Net cash generated from operating activities</b>		<b>1,183,699</b>	(4,640,075)	<b>347,476</b>	680,508
<b>Cash flow from financing activities:</b>					
Proceeds from issue of units	14	<b>229,000</b>	7,055,500	<b>39,000</b>	5,812,938
Cash paid for units liquidated	14	-	(24,679)	-	(58,547)
<b>Net cash generated from financing activities</b>		<b>229,000</b>	7,030,821	<b>39,000</b>	5,754,391
<b>Net increase in cash and cash equivalents</b>		<b>1,412,699</b>	2,390,746	<b>386,476</b>	6,434,899
Cash and cash equivalent at the beginning of the year		<b>2,448,081</b>	132,041	<b>8,765,104</b>	2,321,349
Exchange gain/ (losses) on cash and cash equivalents		<b>(743)</b>	(74,706)	<b>16,089</b>	8,856
<b>Cash and cash equivalent at end of the year</b>		<b>3,860,037</b>	2,448,081	<b>9,167,669</b>	8,765,104

The notes on pages 63 to 94 form an integral part of the financial statements.

# Notes to the Financial Statements for the National Investment Trust Unit Trust | At 30 June 2019

## 1. General Information

See page 46 for Funds' descriptions and objectives.

## 2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied to all year presented, unless stated otherwise.

### 2.1. Basis of preparation

The financial statements have been prepared in accordance with and in compliance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued by the International Accounting Standards Board ("IASB") and its related bodies. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit and loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Manager and the Trustee to exercise their judgment in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are described in Note 4.

#### (a) Standards and amendments to existing standards effective 1 July 2018

##### *IFRS 9 – Financial Instruments*

IFRS 9 "Financial Instruments" became effective for annual periods beginning on or after 1 January 2018. It addresses the classification, measurement and derecognition of financial assets and liabilities and replaces the multiple classification and measurement models in IAS 39.

Classification and measurement of debt assets is driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument is measured at amortised cost if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows and the contractual cash flows under the instrument solely represent payments of principal and interest ("SPPI"). A debt instrument is measured at fair value through other comprehensive income if the objective of the business model is to hold the financial asset both to collect contractual cash flows from SPPI and to sell. All other debt instruments must be recognised at fair value through profit or loss. An entity may however, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Derivative and equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income. IFRS 9 also introduces a new expected credit loss ("ECL") impairment model.

IFRS 9 has been applied retrospectively by the Funds and did not result in a change to the classification or measurement of financial instruments. There was no material impact on adoption from the application of the new impairment model at 1 July 2018.

#### (a) Classification

From 1 July 2018, the Funds classify their financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- Those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI.

The Funds classify their investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolios of financial assets are managed and performance are evaluated on a fair value basis. The Funds are primarily focused on fair value information and use that information to assess the assets' performance and to make decisions. The Funds have not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. All investments are measured at fair value through profit or loss.

Financial assets are classified as current assets if they are expected to be realised within 12 months of the end of the reporting period. Those not expected to be realised within 12 months will be classified as non-current.

The Funds reclassify debt investments when and only when their business model for managing those assets changes.

The measurement category and the carrying amount of financial instruments in accordance with IAS 39 and IFRS 9 at 1 July 2018 are compared as follows:

Financial Instruments	Measurement category	IAS 39		Measurement category	IFRS 9	
		NIT Local Equity Fund	NIT Global Opportunities Fund		NIT Local Equity Fund	NIT Global Opportunities Fund
		Carrying amount Rs			Carrying amount Rs	
Investment in quoted securities	FVTPL	561,128,570	322,177,215	FVTPL	561,128,570	322,177,215
Cash and cash equivalents	Loan and receivables	31,475,165	72,960,749	Financial assets at amortised cost	31,475,165	72,960,749
Amount due from related party	Loan and receivables	532,360	4,466,403	Financial assets at amortised cost	532,360	4,466,403
Other payables	Other liabilities	1,550,156	624,327	Other financial liabilities at amortised cost	1,550,156	624,327
Net assets attributable to unitholders	Other financial liabilities	582,140,215	398,980,040	Financial liabilities at amortised cost	582,140,215	398,980,040

Financial Instruments	Measurement category	IAS 39		Measurement category	IFRS 9	
		NIT North America Fund	NIT Europe Fund		NIT North America Fund	NIT Europe Fund
		Carrying amount Rs			Carrying amount Rs	
Investment in quoted securities	FVTPL	25,046,580	14,421,031	FVTPL	25,046,580	14,421,031
Cash and cash equivalents	Loan and receivables	8,389,285	6,094,275	Financial assets at amortised cost	8,389,285	6,094,275
Amount due from related party	Loan and receivables	1,605,825	455,479	Financial assets at amortised cost	1,605,825	455,479
Other payables	Other liabilities	109,504	-	Other financial liabilities at amortised cost	109,504	-
Net assets attributable to unitholders	Other financial liabilities	34,932,186	20,059,827	Financial liabilities at amortised cost	34,932,186	20,059,827



### NIT Emerging Markets Fund

Financial Instruments	IAS 39		IFRS 9	
	Measurement category	Carrying amount Rs	Measurement category	Carrying amount Rs
Investment in quoted securities	FVTPL	24,267,975	FVTPL	24,267,975
Cash and cash equivalents	Loan and receivables	8,751,281	Financial assets at amortised cost	8,751,281
Amount due from related party	Loan and receivables	3,669,543	Financial assets at amortised cost	3,669,543
Amount due to related party	Other Financial Liabilities	111,008	Financial liabilities at amortised cost	111,008
Net assets attributable to unitholders	Other financial liabilities	36,577,791	Financial liabilities at amortised cost	36,577,791

Financial Instruments	Measurement category	IAS 39		Measurement category	IFRS 9	
		NIT Global Bond Fund	NIT Global Healthcare Fund		NIT Global Bond Fund	NIT Global Healthcare Fund
		Carrying amount Rs		Carrying amount Rs		
Investment in quoted securities	FVTPL	15,225,221	24,205,503	FVTPL	15,225,221	24,205,503
Cash and cash equivalents	Loan and receivables	868,478	2,448,081	Financial assets at amortised cost	868,478	2,448,081
Amount due from related party	Loan and receivables	36,956	1,592,454	Financial assets at amortised cost	36,956	1,592,454
Other payables	Other liabilities	87,324	102,324	Other financial liabilities at amortised cost	87,324	102,324
Net assets attributable to unitholders	Other financial liabilities	16,050,410	28,143,714	Financial liabilities at amortised cost	16,050,410	28,143,714

### NIT Global Value Fund

Financial Instruments	IAS 39		IFRS 9	
	Measurement category	Carrying amount Rs	Measurement category	Carrying amount Rs
Investment in quoted securities	Financial assets at fair value through profit or loss	27,799,698	Financial assets at fair value through profit or loss	27,799,698
Cash and cash equivalents	Loan and receivables	8,765,104	Financial assets at amortised cost	8,765,104
Other payables	Other liabilities	515,698	Other financial liabilities at amortised cost	515,698
Net assets attributable to unitholders	Other financial liabilities	36,053,775	Financial liabilities at amortised cost	36,053,775

## IFRS 9 – Financial Instruments (continued)

### (b) Recognition, derecognition and measurement

Regular purchases and sales of investments are recognised on the trade date – the date on which the Funds commit to purchase or sell the investment. Financial assets and liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of profit or loss and other comprehensive income.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Funds have transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when they are extinguished – i.e. when the obligation specified in the contract is discharged or cancelled or expires.

Subsequent to initial recognition, all financial assets and liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the “financial assets and liabilities at fair value through profit or loss” category are presented in the statement of comprehensive income within “changes in fair value of financial assets and liabilities at fair value through profit or loss” in the period in which they arise.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 July 2018 that have a material effect on the financial statements of the Funds.

#### *Equity instruments*

The Funds subsequently measures all equity investments at fair value. Where the Manager and the Trustee have elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Fund's right to receive payments is established.

### (c) Impairment

IFRS 9 replaces the ‘incurred loss’ model in IAS 39 with an ‘expected credit loss’ model. The new impairment model also applies to certain loan commitments and financial guarantee contracts but not to equity investments. Under IFRS 9, credit losses are recognised earlier than under IAS 39. The Funds have assessed the impact of applying the impairment provisions of IFRS 9 Expected Credit Loss at 1 July 2018 as opposed to applying IAS 39 incurred loss model. The Funds have estimated that no significant adjustment is required at 1 July 2018 to net assets attributable to unitholders.

### (d) Accounting policies applied until 30 June 2018

The Funds have applied IFRS 9 retrospectively, but have elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Funds' previous accounting policy.

#### *Classification*

Until 30 June 2018, the Funds classified their financial assets in the following categories:

- Financial assets at fair value through profit or loss,
- Loans and receivables,
- Held-to-maturity investments, and
- Available-for-sale financial assets.

The classification depended on the purpose for which the investments were acquired. The Manager and the Trustee determined the classification of the investments at initial recognition.

#### *Subsequent measurement*

The measurement at initial recognition did not change on adoption of IFRS 9, see description above.

Subsequent to the initial recognition, loans and receivables and held-to-maturity investments were carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at FVPL were subsequently carried at fair value. Gains or losses arising from changes in the fair value were recognised as follows:

- For financial assets at FVPL – in profit or loss within changes in fair value of financial assets at fair value through profit or loss.
- For available-for-sale financial assets that are monetary securities denominated in a foreign currency – translation differences related to changes in the amortised cost of the security were recognised in profit or loss and other changes in the carrying amount were recognised in other comprehensive income
- For other monetary and non-monetary securities classified as available-for-sale – in other comprehensive income.

Details on how the fair value of financial instruments is determined are disclosed in Note 3.

When securities classified as available-for-sale were sold, the accumulated fair value adjustments recognised in other comprehensive income were reclassified to profit or loss as gains and losses from investment securities.

#### *Impairment*

The Funds assessed at the end of each reporting period whether there was objective evidence that a financial asset or group of financial assets was impaired. A financial asset or a group of financial assets was impaired and impairment losses were incurred only if there was objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) had an impact on the estimated future cash flows of the financial asset that could be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost was considered an indicator that the assets are impaired.

#### **(e) Investments in financial assets previously designated at fair value through profit or loss**

The Funds had financial assets as at 30 June 2018 which were classified as Fair Value Through Profit or Loss. On adoption of IFRS 9, there were no impact/changes in classification and measurement of these financial assets.

	2019 Rs	2018 Rs
NIT Local Equity Fund	<b>495,129,090</b>	561,128,570
NIT Global Opportunities Fund	<b>304,138,234</b>	322,177,215
NIT North America Fund	<b>23,002,035</b>	25,046,580
NIT Europe Fund	<b>18,036,790</b>	14,421,031
NIT Emerging Markets Fund	<b>15,774,304</b>	24,267,975
NIT Global Bond Fund	<b>13,760,825</b>	15,225,221
NIT Global Healthcare Fund	<b>26,318,320</b>	24,205,503
NIT Global Value Fund	<b>26,645,087</b>	27,799,698

#### **(f) Initial recognition and measurement**

Purchases and sales of investments are recognised on trade date – the date on which the Funds commit to purchase or sell the investment. All financial assets are recognised initially at fair value. Transaction costs are expensed as incurred in the statement of profit or loss and other comprehensive income.

#### **(g) Subsequent measurement**

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented in the statement of profit or loss and other comprehensive income as other expenses (negative net changes in fair value) or other income (positive net changes in fair value) within 'other net changes in fair value of financial assets at fair value through profit or loss' in the period in which they arise.

The fair values of quoted investments are based on the current last traded prices.

#### **(h) Derecognition**

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or the Funds have transferred substantially all risks and rewards of ownership.

#### *Assets carried at amortised cost*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Funds' loans and receivables comprises cash and cash equivalents in the statements of financial position.

Loans and receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and included fees or costs that are an integral part of the effective interest rate.

The effective interest amortisation is included in interest income in the statements of profit or loss and comprehensive income. The loss arising from impairment is recognised in profit or loss in financial costs for loans and in other expenses for receivables.

#### *IFRS 15 Revenue from contracts with customers*

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue and the related Interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standards introduces a 5-Step approach to revenue recognition:

- Step 1 : Identify the contract(s) with a customer;
- Step 2 : Identify the performance obligations in the contract;
- Step 3 : Determine the transaction price;
- Step 4 : Allocate the transaction price to the performance obligations in the contract; and
- Step 5 : Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

Far more prescriptive guidance has been added in IFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

IFRS 15 did not have a significant impact on the accounting policies with respect to income generating activities of the Funds.

*New standards, amendments and interpretations effective after 1 July 2018 and have not been early adopted*

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2019, and have not been early adopted in preparing these financial statements. None of these are expected to have a significant impact on the Funds.

## **2.2 Foreign currency translation**

### **(a) Functional and presentation currency**

The performance of the Funds are measured and reported to the investors in Mauritian Rupee ("Rs"). The Manager considers the "Rs" as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Rs, which is the Funds' functional and presentation currency.

### **(b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in statements of profit or loss and other comprehensive income. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

Translation differences on assets and liabilities carried at fair value are reported as part of their fair value gain or loss. Non-monetary items measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transactions.

## **2.3 Dividend income**

Dividend income is recognised when the right to receive payment is established. Dividend arising from financial assets at fair value through profit or loss is recognised when the security is quoted ex-dividend.

## **2.4 Interest income**

Interest income is accounted for as it accrues using the effective interest method unless collectability is in doubt. When a receivable is impaired, the Funds reduce the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate.

## **2.5 Management fee**

Management fee is payable to the Manager and is based on 1% of the net asset value of the Funds (except from NIT Global opportunities & Global Bond where the management fees are based on 1.25 % & 0.60 % of the respective net asset values). Management fee is calculated weekly and are paid quarterly in arrears.

## **2.6 Distributions payable to unitholders**

Out of the eight sub-funds only NIT Local Equity Fund pays dividends. In this case, proposed distribution is recognised as a liability and as finance cost in the statement of profit or loss and other comprehensive income in the year to which it relates.

## **2.7 Increase/decrease in net assets attributable to unitholders from operations**

Income not distributable is included in net assets attributable to unitholders.

## **2.8 Current Tax**

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the

financial position date in the country where the Funds operate and generate taxable income. Manager and the Trustee periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

## 2.9 Financial instruments

The Funds classify financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of a the contractual arrangement. Financial instruments are recognised when the Funds become a party to the contractual provisions of the instrument.

The Funds classify their financial assets and liabilities in the following categories:

- Financial assets at fair value through profit or loss;
- Financial assets through other comprehensive income; and
- Financial liabilities at amortised cost.

Financial instruments are recognised initially at fair value plus transactions costs that are directly attributable to acquisition or issue of the financial instrument, except for financial assets at fair value through profit or loss, which are initially measured at fair value, excluding transactions costs which is recognised in statements of profit or loss.

Financial assets are derecognised when the rights to become cash flows from the assets have been expired or have been transferred and the Funds have transferred all the risks and rewards of ownership.

### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and designated upon initial recognition at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term.

#### *Financial assets at amortised cost*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Funds' loans and receivables comprise 'other receivables' and 'cash and cash equivalents' in the statement of financial position.

#### *Recognition and measurement*

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Funds commit to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statements of profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Funds have transferred substantially all risks and rewards of ownership.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statements of profit or loss within 'changes in fair value of financial assets at fair value through profit or loss' in the period in which they arise.

Unrealised gains and losses from changes in fair value of financial assets at FVTPL are recognised in the statements of profit or loss and other comprehensive income and subsequently taken to net assets attributable to unitholders as such gains and losses are not available for distribution.

Dividend income from financial assets at fair value through profit or loss is recognised in the statements of profit or loss when the Funds' right to receive payments is established.

#### *Fair value estimation*

The Funds invest in listed securities only. Details on how the fair value of financial instruments is determined is disclosed in note 3.4.

## 2.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the statements of profit or loss and other comprehensive income.

## 2.11 Other receivables

Other receivables are recognised at fair value.

## 2.12 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand, short term deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

## 2.13 Units

Units of the Funds, which are redeemable at any time at the option of the unitholders for cash, do not have a par value and an unlimited number of units may be issued. The units are financial liabilities and therefore the net assets attributable to unitholders are classified within liabilities in the statements of financial position and distributions to unitholders are included as finance costs in the statements of profit or loss and other comprehensive income.

## 2.14 Equalisation

Accrued income included in the issues and repurchase of prices of units are dealt with in the statements of profit or loss and other comprehensive income.

## 2.15 Other payables

Other payables are recognised at fair value.

## 2.16 Provisions

Provisions are recognised when the Funds have a present obligation (legal or constructive) as a result of a past event, it is probable that the Funds will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

## 2.17 Comparatives

Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current year.

# 3. Financial Risk Management

## 3.1 Financial risk factors

The Funds activities expose them to a variety of financial risks. These risks include market risk (including price risk, currency risk and cash flow interest rate risk), credit risk and liquidity risk.

The Funds are also exposed to operational risks such as custody risk. Custody risk is the risk of loss of securities held in custody occasioned by the insolvency or negligence of the custodian. Although an appropriate legal framework is in place that eliminates the risk of loss of value of the securities held by the custodian, in the event of its failure, the ability of the Funds to transfer securities might be temporarily impaired.

The Funds' overall risk management programme seeks to maximise the returns derived for the level of risk to which the Funds are exposed and seeks to minimise potential adverse effects on the Funds' financial performance.

All securities investments present a risk of loss of capital. The maximum loss of capital on equity and debt securities is limited to the fair value of those positions.

The management of these risks is carried out by the Manager under policies approved by its Board of Directors, who provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and the investment of excess liquidity.

The Funds use different methods to measure and manage the various types of risk to which they are exposed; these methods are explained below

### (a) Market risk

#### *Price risk*

The Funds are exposed to equity price risk. This arises from investments held by the Funds for which prices in the future are uncertain.

The Fund's policy also limits individual securities as follows:

### For NIT Local Equity Fund:

- The value of the aggregate values of any investments in any company shall not exceed 25% of the total value of the Fund;
- The nominal amount of any investment in shares or stock of any company or body shall not exceed 10% of the total nominal amount of all issued shares or stock of that company; and
- Where in any period, the value of the aggregate values of any investments in any company exceeds 25% of the total value of the Fund, the Manager and the Trustee will take necessary step to reduce the percentage of investments accordingly.

The Fund's equity and debt investments are publicly traded on the Stock Exchange of Mauritius and Overseas. The Fund's policy requires that the overall market position is monitored on a regular basis by the Manager and the Trustee.

### For all overseas Funds:

- The value of the aggregate values of any investments in the shares of Collective Investment Scheme shall not exceed 25% of the total value of the Fund;
- The value of the aggregate value of any investments in any investee Fund or body shall not exceed 10% of the total nominal amount of all issued shares or stock of that Fund; and
- The nominal amount of any investment in shares or stock of any investee Fund or body shall not exceed 10% of the total nominal amount of all issued shares or stock of the fund.

The Funds' equity and debt investments are publicly traded on Stock Exchanges. The Funds policies require that the overall market position is monitored on a regular basis by the Manager.

At 30 June 2019, the fair value of investments exposed to price risk was as follows:

Financial assets at fair value through profit or loss	2019 Rs	2018 Rs
NIT Local Equity Fund	495,129,090	561,128,570
NIT Global Opportunities Fund	304,138,234	322,177,215
NIT North America Fund	23,002,035	25,046,580
NIT Europe Fund	18,036,790	14,421,031
NIT Emerging Markets Fund	15,774,304	24,267,975
NIT Global Bond Fund	13,760,825	15,225,221
NIT Global Healthcare Fund	26,318,320	24,205,503
NIT Global Value Fund	26,645,087	27,799,698

The Funds also manage their exposure to price risk by analysing the investment portfolio by industrial sector. The Funds' policy are to concentrate the investment portfolio in sectors where the Manager and the Trustee believe the Funds can maximise the returns derived for the level of risk to which the Funds are exposed.

The table below is a summary of the significant sector concentrations:

### NIT Local Equity Fund

Sector	Fund's Portfolio 2019 %	Fund's Portfolio 2018 %
Bank, Insurance and Finance	46.00	45.19
Leisure and Tourism	19.80	23.9
Conglomerate	15.90	12.88
Sugar Industry	6.00	6.56
Manufacturing and Industrial	4.00	3.57
Food and Beverages	0.80	2.27
Investments	2.60	2.35
Commerce	0.90	0.66
Property and Construction	4.00	2.62
	<b>100.00</b>	<b>100.00</b>

The table on the next page is a summary of the significant sector concentrations within the portfolio of Overseas securities

### NIT Global Opportunities

Sector	Fund's Portfolio	Fund's Portfolio
	2019 %	2018 %
Equity Funds	62.75	65
Energy	2.33	5
Consumer Discretionary	2.30	2
Financials	6	5
Healthcare and Life Sciences	5.39	6
Technology	13.68	9
Industrials	5.48	6
Mining and Materials	2.11	2
	<b>100.00</b>	100.00

#### Sensitivity analysis

The Manager's and the Trustee's best estimate of the effect on statements of profit or loss and other comprehensive income for the year due to a possible change in securities price, with all variables held constant is indicated on the table below.

If the security prices had been 5% higher/lower, net assets attributable to unitholders would increase/decrease as follows:

Financial assets at fair value through profit or loss	2019 Rs	2018 Rs
NIT Local Equity Fund	24,756,455	28,056,428
NIT Global Opportunities Fund	15,206,912	16,108,861
NIT North America Fund	1,150,102	1,252,329
NIT Europe Fund	901,840	721,052
NIT Emerging Markets Fund	788,715	1,213,399
NIT Global Bond Fund	688,041	761,261
NIT Global Healthcare Fund	1,315,916	1,210,275
NIT Global Value Fund	1,332,254	1,389,985

#### Interest rate risk

Interest rate risk is the risk that fair values of financial assets and liabilities, as reported in the Funds' statements of financial position could change due to fluctuations in prevailing levels of market interest rates. All of the Funds' financial assets and liabilities are non-interest bearing except of cash and cash equivalents which are placed at short term interest rates.

The Manager and the Trustee consider that the Funds are not subject to significant amount of risk arising from changes in interest rates on cash and cash equivalents as these are short term in nature and changes in their values or interest cash flows in the event of a change in interest rates will not be material. Therefore, no interest rate risk sensitivity analysis on cash and cash equivalents has been performed. However, changes in interest rates could impact on earnings of entities in which the Funds have invested.

#### Foreign currency risk

Except for the Local Equity Fund, the other Funds are not significantly exposed to any currency risk since all of its financial assets and liabilities are denominated in Mauritian Rupees, , all other funds hold financial assets and liabilities denominated in currencies other than the Mauritian Rupee. Consequently, the Funds are exposed to currency risk, as the value of the assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates. The Funds' policy is not to enter into any currency hedging transactions.

### NIT Global Opportunities Fund

Currency	2019		2018	
	Financial assets Rs	Financial liabilities Rs	Financial assets Rs	Financial liabilities Rs
Mauritian Rupee	521,359	397,585,668	4,943,622	339,604,367
United States Dollar	253,362,047	-	251,251,697	-
Japanese Yen	2,313,528	-	2,403,939	-
Euro	120,284,893	-	117,398,473	-
Pound Sterling	21,103,841	-	23,606,636	-
	<b>397,585,668</b>	<b>397,585,668</b>	399,604,367	339,604,367



#### NIT North America Fund

Currency	2019		2018	
	Financial assets Rs	Financial liabilities Rs	Financial assets Rs	Financial liabilities Rs
Mauritian Rupee	1,333,092	37,948,454	1,678,731	35,041,690
United States Dollar	36,615,362	-	33,362,959	-
	<b>37,948,454</b>	<b>37,948,454</b>	35,041,690	35,041,690

#### NIT Europe Fund

Currency	2019		2018	
	Financial assets Rs	Financial liabilities Rs	Financial assets Rs	Financial liabilities Rs
Mauritian Rupee	75,532	20,685,469	128,907	20,515,306
Euro	20,607,857	-	20,386,399	-
United States Dollar	2,080	-	-	-
	<b>20,685,469</b>	<b>20,685,469</b>	20,515,306	20,515,306

#### NIT Emerging Market Fund

Currency	2019		2018	
	Financial assets Rs	Financial liabilities Rs	Financial assets Rs	Financial liabilities Rs
Mauritian Rupee	3,360,387	37,055,112	3,775,888	36,688,799
United States Dollar	25,990,633	-	25,446,928	-
Euro	7,704,092	-	7,465,983	-
	<b>37,055,112</b>	<b>37,055,112</b>	36,688,799	36,688,799

#### NIT Global Bond Fund

Currency	2019		2018	
	Financial assets Rs	Financial liabilities Rs	Financial assets Rs	Financial liabilities Rs
Mauritian Rupee	701,056	17,390,910	874,678	16,130,655
United States Dollar	16,689,854	-	15,255,977	-
	<b>17,390,910</b>	<b>17,390,910</b>	16,130,655	16,130,655

#### NIT Global Healthcare Fund

Currency	2019		2018	
	Financial assets Rs	Financial liabilities Rs	Financial assets Rs	Financial liabilities Rs
Mauritian Rupee	1,562,762	30,178,357	1,714,106	28,246,038
United States Dollar	4,785,752	-	4,276,524	-
Euro	23,829,843	-	22,255,408	-
	<b>30,178,357</b>	<b>30,178,357</b>	28,246,038	28,246,038

#### NIT Global Value Fund

Currency	2019		2018	
	Financial assets Rs	Financial liabilities Rs	Financial assets Rs	Financial liabilities Rs
Mauritian Rupee	78,274	35,812,756	49,675	36,564,802
United States Dollar	28,024,493	-	28,606,559	-
Euro	7,709,988	-	7,908,568	-
	<b>35,812,755</b>	<b>35,812,755</b>	36,564,802	36,564,802

The exchange rate risk arises mainly out of the Funds' investment in the securities which are denominated in currencies other than "Rs". The currency risk between the foreign currency of the investments and the functional currency of the Fund is not actively managed and fluctuates with market movements.

The following table details the Funds' sensitivity to a 5% and 10% change in the Mauritian Rupee against the relevant foreign currencies. A 5% and 10% represents the Manager's and the Trustee's assessment of the reasonably possible change in foreign exchange rates. A positive number below indicates an increase in profit and net assets attributable to unitholders, where the Mauritian Rupee weakens 5% and 10% against the relevant foreign currencies. For a 5% and 10% strengthening of the Mauritian Rupee against the relevant foreign

currencies, there would be an equal and opposite impact on the profit and net assets attributable to unitholders and the balances below would be negative.

#### NIT Global Opportunities Fund

Foreign currency impact	2019		2018	
	5% Rs	10% Rs	5% Rs	10% Rs
United States Dollar	12,668,102	25,336,205	12,562,585	25,125,170
Euro	6,014,245	12,028,489	5,869,924	11,739,847
Pound Sterling	1,055,192	2,110,384	1,180,332	2,360,664
Japanese Yen	115,676	231,353	120,197	240,394
<b>Total (rs)</b>	<b>19,853,215</b>	<b>39,706,431</b>	<b>19,733,037</b>	<b>39,466,075</b>

#### NIT North America Fund

Foreign currency impact	2019		2018	
	5% Rs	10% Rs	5% Rs	10% Rs
United States Dollar	1,830,768	3,661,536	1,668,148	3,336,296

#### NIT Europe Fund

Foreign currency impact	2019		2018	
	5% Rs	10% Rs	5% Rs	10% Rs
Euro	1,030,393	2,060,786	1,019,320	2,038,640
United States Dollar	104	208	-	-

#### NIT Emerging Markets Fund

Foreign currency impact	2019		2018	
	5% Rs	10% Rs	5% Rs	10% Rs
United States Dollar	1,299,532	2,599,063	1,272,346	2,544,693
Euro	385,205	770,409	373,299	746,598

#### NIT Global Bond Fund

Foreign currency impact	2019		2018	
	5% Rs	10% Rs	5% Rs	10% Rs
United States Dollar	834,493	1,668,985	762,799	1,525,598

#### NIT Global Healthcare Fund

Foreign currency impact	2019		2018	
	5% Rs	10% Rs	5% Rs	10% Rs
United States Dollar	239,288	478,575	213,826	427,652
Euro	1,191,492	2,382,984	1,112,770	2,225,541
<b>Total</b>	<b>1,430,780</b>	<b>2,861,559</b>	<b>1,326,597</b>	<b>2,653,193</b>

#### NIT Global Value Fund

Foreign currency impact	2019		2018	
	5% Rs	10% Rs	5% Rs	10% Rs
United States Dollar	1,401,225	2,802,449	1,430,328	2,860,656
Euro	385,499	770,999	395,428	790,856
<b>Total</b>	<b>1,786,724</b>	<b>3,573,448</b>	<b>1,825,756</b>	<b>3,651,512</b>

The above foreign currency impact is mainly attributable to the foreign currency exposure on investment balances.

## (b) Credit risk

The Funds take on exposure to credit risk, which is the risk that a counter party will be unable to pay amounts in full when due. Impairment provisions are made for losses that have been incurred at the end of the reporting period, if any.

The Funds' main credit risk concentration is associated with bank balances and other receivables.

All transactions in listed securities are settled / paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The transaction will fail if either party fails to meet its obligation.

The bank balances are held with reputable financial institutions.

Accordingly, the Funds have no significant concentration of credit risk. None of the Funds financial assets are impaired nor past due but not impaired.

## (c) Liquidity risk

Liquidity risk is the risk that the Funds may not be able to generate sufficient cash resources to settle their obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Funds are exposed to weekly cash redemptions of redeemable units. They therefore invest the majority of their assets in financial assets that are traded in an active market and can be readily disposed of. The Funds listed financial assets are considered readily realisable, as they are listed on Stock Exchanges.

The tables below analyses the Funds' financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as impact of discounting is not significant.

### NIT Local Equity Fund

Financial liabilities	At call 2019	Less than one year 2019	Total 2019	At call 2018	Less than one year 2018	Total 2018
	Rs	Rs	Rs	Rs	Rs	Rs
Payables	-	1,394,773	1,394,773	-	1,550,156	1,550,156
Distribution to unitholders	-	10,412,654	10,412,654	-	10,801,833	10,801,833
Net assets attributable to unitholders	531,560,380	-	531,560,380	582,140,215	-	582,140,215
	531,560,380	11,807,427	543,367,807	582,140,215	12,351,989	594,492,204

### NIT Global Opportunities Fund

Financial liabilities	At call 2019	Less than one year 2019	Total 2019	At call 2018	Less than one year 2018	Total 2018
	Rs	Rs	Rs	Rs	Rs	Rs
Payables	-	4,821,694	4,821,694	-	624,327	624,327
Net assets attributable to unitholders	392,763,974	-	392,763,974	398,980,040	-	398,980,040
	392,763,974	4,821,694	397,585,668	398,980,040	624,327	399,604,367

### NIT North America Fund

Financial liabilities	At call 2019	Less than one year 2019	Total 2019	At call 2018	Less than one year 2018	Total 2018
	Rs	Rs	Rs	Rs	Rs	Rs
Payables	-	1 61,358	161,358	-	109,504	109,504
Net assets attributable to unitholders	37,789,096	-	37,789,096	34,932,186	-	34,932,186
	37,789,096	1 61,358	37,950,454	34,932,186	109,504	35,041,690

**NIT Europe Fund**

Financial liabilities	At call 2019	Less than one year 2019	Total 2019	At call 2018	Less than one year 2018	Total 2018
	Rs	Rs	Rs	Rs	Rs	Rs
Payables	-	2,908,050	2,908,050	-	455,479	455,479
Net assets attributable to unitholders	17,777,419	-	17,777,419	20,059,827	-	20,059,827
	<b>17,777,419</b>	<b>2,908,050</b>	<b>20,685,469</b>	20,059,827	455,479	20,515,306

**NIT Emerging Markets Fund**

Financial liabilities	At call 2019	Less than one year 2019	Total 2019	At call 2018	Less than one year 2018	Total 2018
	Rs	Rs	Rs	Rs	Rs	Rs
Payables		161,877	161,877	-	111,008	111,008
Net assets attributable to unitholders	36,893,235		36,893,235	36,577,791	-	36,577,791
	<b>36,893,235</b>	<b>161,877</b>	<b>37,055,112</b>	36,577,791	111,008	36,688,799

**NIT Global Bond Fund**

Financial liabilities				At call 2018	Less than one year 2018	Total 2018
				Rs	Rs	Rs
Payables		92,631	92,631	-	87,324	87,324
Net assets attributable to unitholders	17,298,279		17,298,279	16,043,331	-	16,043,331
	<b>17,298,279</b>	<b>92,631</b>	<b>17,298,279</b>	16,043,331	87,324	16,130,655

**NIT Global Healthcare Fund**

Financial liabilities	At call 2019	Less than one year 2019	Total 2019	At call 2018	Less than one year 2018	Total 2018
	Rs	Rs	Rs	Rs	Rs	Rs
Payables	-	140,209	140,209		102,324	102,324
Net assets attributable to unitholders	30,038,148	-	30,038,148	28,143,714	-	28,143,714
	<b>30,038,148</b>	<b>140,209</b>	<b>30,178,357</b>	28,143,714	102,324	28,246,038

**NIT Global Value Fund**

Financial liabilities	At call 2019	Less than one year 2019	Total 2019	At call 2018	Less than one year 2018	Total 2018
	Rs	Rs	Rs	Rs	Rs	Rs
Payables		986,803	986,803	-	515,698	515,698
Net assets attributable to unitholders	34,825,953		34,825,953	36,049,104	-	36,049,104
	<b>34,825,953</b>	<b>986,803</b>	<b>35,812,756</b>	36,049,104	515,698	36,564,802

Units are redeemed on demand at the unitholder's option. However, the Manager and the Trustee do not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as unitholders of these instruments typically retain them for the medium to long term.

In case of NIT Local Equity Fund, distributions to holder of units are made by way of re-investment to purchase additional units as no entry fee on the next valuation day following the payment of distribution.

### 3.2 Capital risk management

The capital of the Funds are represented by the net assets attributable to the unitholders. The amount of net assets attributable to the unitholders can change significantly on a weekly basis as the Funds are subject to weekly subscriptions and redemptions at the discretion of the unitholders. The Funds main purpose is to make portfolio investments in listed securities on overseas markets. . The investment portfolios are very well diversified to mitigate investment risk.

The Funds objective when managing capital is to provide an adequate return to the unitholder by achieving and preserving above average long-term real capital returns through a policy of investing primarily in quoted securities. The Funds seek to achieve this through participating in rising markets whilst following a strategy more suitable for capital preservation when quoted securities prices are falling.

### 3.3 Fair value estimation

The carrying amounts of financial assets at fair value through profit or loss, other receivables, cash and cash equivalents and other payables approximate their fair values.

The fair value of financial assets traded in active markets is based on quoted market prices at the close of trading on the year end date.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The fair value of financial assets traded in active markets is based on quoted market prices at the close of trading on the year end date. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

At 30 June 2019 and 2018 all financial assets at fair value through profit or loss were classified as Level 1. There were no transfers between level 1, 2 and 3 during the year.

### 3.4 Category of Financial Instruments

Financial instruments by category are as follows:

<b>NIT Local Equity Fund</b>				
<b>Financial assets</b>	<b>Loans &amp; receivables 2019 Rs</b>	<b>Financial assets at FVTPL 2019 Rs</b>	<b>Loans &amp; receivables 2018 Rs</b>	<b>Financial assets at FVTPL 2018 Rs</b>
Financial assets at FVTPL	-	<b>495,129,090</b>		561,128,570
Other receivables	<b>1,306,493</b>	-	1,908,179	
Cash and cash equivalents	<b>46,988,456</b>	-	1,908,179	
	<b>48,294,949</b>	<b>495,129,090</b>	33,383,344	561,128,570
<b>Financial assets</b>	<b>Financial liabilities at FVTPL 2019 Rs</b>	<b>Other liabilities at amortised cost 2019 Rs</b>	<b>Financial liabilities at FVTPL 2018 Rs</b>	<b>Other liabilities at amortised cost 2018 Rs</b>
Net assets attributable to Unitholders	-	<b>531,560,380</b>	-	582,140,215
Other receivables	-	<b>1,394,773</b>	-	1,550,156
Cash and cash equivalents	-	<b>10,412,654</b>	-	10,801,833
	-	<b>543,367,807</b>	-	594,492,204

**NIT Global Opportunities Fund**

<b>Financial assets</b>	<b>Loans &amp; receivables 2019 Rs</b>	<b>Financial assets at FVTPL 2019 Rs</b>	<b>Loans &amp; receivables 2018 Rs</b>	<b>Financial assets at FVTPL 2018 Rs</b>
Financial assets at FVTPL	-	<b>304,138,234</b>	-	322,177,215
Other receivables	-	-	4,466,403	-
Cash and cash equivalents	<b>93,447,434</b>	-	72,960,749	-
	<b>93,447,434</b>	<b>304,138,234</b>	77,427,152	322,177,215

<b>Financial assets</b>	<b>Financial liabilities at FVTPL 2019 Rs</b>	<b>Other liabilities at amortised cost 2019 Rs</b>	<b>Financial liabilities at FVTPL 2018 Rs</b>	<b>Other liabilities at amortised cost 2018 Rs</b>
Net assets attributable to Unitholders	-	<b>392,763,974</b>		398,980,040
Other receivables	-	<b>4,821,694</b>		624,327
		<b>397,585,668</b>		399,604,367

**NIT North America Fund**

<b>Financial assets</b>	<b>Loans &amp; receivables 2019 Rs</b>	<b>Financial assets at FVTPL 2019 Rs</b>	<b>Loans &amp; receivables 2018 Rs</b>	<b>Financial assets at FVTPL 2018 Rs</b>
Financial assets at FVTPL	-	<b>23,002,035</b>	-	25,046,580
Other receivables	-	-	8,389,285	-
Cash and cash equivalents	<b>14,948,419</b>	-	1,605,825	-
	<b>14,948,419</b>	<b>23,002,035</b>	9,995,110	25,046,580

<b>Financial assets</b>	<b>Financial liabilities at FVTPL 2019 Rs</b>	<b>Other liabilities at amortised cost 2019 Rs</b>	<b>Financial liabilities at FVTPL 2018 Rs</b>	<b>Other liabilities at amortised cost 2018 Rs</b>
Net assets attributable to Unitholders	-	<b>37,789,096</b>		34,932,186
Other payables	-	<b>1 61,358</b>		109,504
		<b>37,950,454</b>		35,041,690

**NIT Europe Fund**

<b>Financial assets</b>	<b>Loans &amp; receivables 2019 Rs</b>	<b>Financial assets at FVTPL 2019 Rs</b>	<b>Loans &amp; receivables 2018 Rs</b>	<b>Financial assets at FVTPL 2018 Rs</b>
Financial assets at FVTPL	-	<b>18,036,790</b>	-	14, 421, 031
Cash and cash equivalents	<b>2,648,679</b>	-	6,094,275	
	<b>2,648,679</b>	<b>18,036,790</b>	6,094,275	14,421,031

<b>Financial assets</b>	<b>Financial liabilities at FVTPL 2019 Rs</b>	<b>Other liabilities at amortised cost 2019 Rs</b>	<b>Financial liabilities at FVTPL 2018 Rs</b>	<b>Other liabilities at amortised cost 2018 Rs</b>
Net assets attributable to Unitholders	-	<b>17,777,419</b>	-	20,059,827
Other receivables	-	<b>2,908,050</b>	-	455,479
		<b>20,685,469</b>		20,515,306

**NIT Emerging Markets Fund**

<b>Financial assets</b>	<b>Loans &amp; receivables 2019 Rs</b>	<b>Financial assets at FVTPL 2019 Rs</b>	<b>Loans &amp; receivables 2018 Rs</b>	<b>Financial assets at FVTPL 2018 Rs</b>
Financial assets at FVTPL	-	<b>15,774,304</b>		24,267,975
Other receivables	-	-	3,669,543	-
Cash and cash equivalents	<b>21,280,808</b>	-	8,751,281	-
	<b>21,280,808</b>	<b>15,774,304</b>	12,420,824	24,267,975

<b>Financial assets</b>	<b>Financial liabilities at FVTPL 2019 Rs</b>	<b>Other liabilities at amortised cost 2019 Rs</b>	<b>Financial liabilities at FVTPL 2018 Rs</b>	<b>Other liabilities at amortised cost 2018 Rs</b>
Net assets attributable to Unitholders	-	<b>36,893,235</b>	-	36,577,791
Other receivables	-	<b>161,877</b>	-	111,008
	-	<b>37,055,112</b>	-	36,688,799

**NIT Global Bond Fund**

<b>Financial assets</b>	<b>Loans &amp; receivables 2019 Rs</b>	<b>Financial assets at FVTPL 2019 Rs</b>	<b>Loans &amp; receivables 2018 Rs</b>	<b>Financial assets at FVTPL 2018 Rs</b>
Financial assets at FVTPL	-	<b>13,760,825</b>		15,225,221
Other receivables	-	-	36,956	
Cash & cash equivalents	<b>3,630,085</b>	-	868,478	
	<b>3,630,085</b>	<b>13,760,825</b>	905,434	15,225,221

<b>Financial assets</b>	<b>Financial liabilities at FVTPL 2019 Rs</b>	<b>Other liabilities at amortised cost 2019 Rs</b>	<b>Financial liabilities at FVTPL 2018 Rs</b>	<b>Other liabilities at amortised cost 2018 Rs</b>
Net assets attributable to Unitholders	-	<b>17,298,279</b>	-	16,043,331
Other Payables	-	<b>92,631</b>	-	87,324
	-	<b>17,390,910</b>	-	16,130,655

**NIT Global Healthcare Fund**

<b>Financial assets</b>	<b>Loans &amp; receivables 2019 Rs</b>	<b>Financial assets at FVTPL 2019 Rs</b>	<b>Loans &amp; receivables 2018 Rs</b>	<b>Financial assets at FVTPL 2018 Rs</b>
Financial assets at FVTPL	-	<b>26,318,320</b>		24,205,503
Other receivables	-	-	1,592,454	
Cash and cash equivalents	<b>3,860,037</b>	-	2,448,081	
	<b>3,860,037</b>	<b>26,318,320</b>	4,040,535	24,205,503

<b>Financial assets</b>	<b>Financial liabilities at FVTPL 2019 Rs</b>	<b>Other liabilities at amortised cost 2019 Rs</b>	<b>Financial liabilities at FVTPL 2018 Rs</b>	<b>Other liabilities at amortised cost 2018 Rs</b>
Net assets attributable to Unitholders	-	<b>30,038,148</b>	-	28,143,714
Other Payables	-	<b>140,209</b>	-	102,324
	-	<b>30,178,357</b>	-	17,737,992

#### NIT Global Value Fund

Financial assets	Loans & receivables 2019 Rs	Financial assets at FVTPL 2019 Rs	Loans & receivables 2018 Rs	Financial assets at FVTPL 2018 Rs
Financial assets at FVTPL	-	<b>26,645,087</b>	-	27,799,698
Cash and cash equivalents	<b>9,167,669</b>	-	8,765,104	-
	<b>9,167,669</b>	<b>26,645,087</b>	8,765,104	27,799,698

Financial assets	Financial liabilities at FVTPL 2019 Rs	Other liabilities at amortised cost 2019 Rs	Financial liabilities at FVTPL 2018 Rs	Other liabilities at amortised cost 2018 Rs
Net assets attributable to Unitholders	-	<b>34,825,953</b>	-	36,049,104
Other payables	-	<b>986,803</b>	-	515,698
		<b>35,812,756</b>	-	36,564,802

## 4. Critical Accounting Estimates and Assumptions

The preparation of financial statements in accordance with IFRS requires the Manager and the Trustee to exercise their judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgements and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could therefore, by definition, often differ from the related accounting estimates.

Where applicable, the notes to the financial statements set out areas where the Manager and the Trustee have applied a higher degree of judgement that have a significant effect on the amounts recognised in the financial statements, or estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

### *Determination of functional currency*

The determination of the functional currency of the Funds are critical since recording of transactions and exchange differences arising thereon are dependent on the functional currency selected. As described in Note 2.2, the Manager and the Trustee have considered those factors therein and have determined that the functional currency of the Fund is the "Rs". The Manager and the Trustee considers "Rs" as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

## 5. Financial Assets at Fair Value Through Profit or Loss

#### NIT Local Equity Fund

	Official Market Rs	Development & Enterprises Market Rs	Total Rs
At fair value - 30 June 2017	560,418,652	6,527,771	566,946,423
Additions	5,026,644		5,026,644
Disposals	(46,540,014)	-	(46,540,014)
Fair value (loss) / gain on revaluation	33,239,290	2,456,227	35,695,517
At 30 June 2018	552,144,572	8,983,998	561,128,570
Additions	<b>20,669,008</b>		<b>20,669,008</b>
Disposals	<b>(17,724,220)</b>	<b>(2,242)</b>	<b>(17,726,462)</b>
Fair value gain / (loss) on revaluation	<b>(74,353,814)</b>	<b>5,411,788</b>	<b>(68,942,026)</b>
<b>At 30 June 2019</b>	<b>480,735,546</b>	<b>14,393,544</b>	<b>495,129,090</b>



### NIT Global Opportunities Fund

	2019 Rs	2018 Rs
At fair value - 1 July	322,177,215	349,740,277
Additions	51,213,846	77,361,135
Disposals	(59,640,234)	(107,484,002)
Changes in fair value	(9,612,593)	2,559,805
<b>At 30 June</b>	<b>304,138,234</b>	<b>322,177,215</b>
<b>Disposals Proceeds</b>	<b>69,312,039</b>	<b>146,671,483</b>

	NIT North America Fund		NIT Europe Fund	
	2019 Rs	2018 Rs	2019 Rs	2018 Rs
At fair value - 1 July	25,046,580	29,228,315	14,421,031	19,577,468
Additions	-	-	3,491,106	-
Disposals	(3,595,339)	(6,262,010)	-	(5,343,097)
Changes in fair value	1,550,794	2,080,275	124,653	187,660
<b>At 30 June</b>	<b>23,002,035</b>	<b>25,046,580</b>	<b>18,036,790</b>	<b>14,422,031</b>
<b>Disposal proceeds</b>	<b>5,083,779</b>	<b>8,075,994</b>	<b>-</b>	<b>6,169,272</b>

	NIT Emerging Markets Fund		NIT Global Bond Fund	
	2019 Rs	2018 Rs	2019 Rs	2018 Rs
At fair value - 1 July	24,267,975	30,920,889	15,225,221	15,532,517
Additions	2,820,000	-	-	-
Disposals	(9,757,769)	(6,804,916)	(2,958,451)	-
Fair Value Adjustments	(1,555,902)	152,002	1,494,055	(307,296)
<b>At 30 June</b>	<b>15,774,304</b>	<b>24,267,975</b>	<b>13,760,825</b>	<b>15,225,221</b>
<b>Disposal Proceeds</b>	<b>11,932,398</b>	<b>8,567,381</b>	<b>2,878,288</b>	<b>-</b>

	NIT Global Healthcare Fund		NIT Global Value Fund	
	2019 Rs	2018 Rs	2019 Rs	2018 Rs
At fair value - 1 July	24,205,503	17,687,786	27,799,698	25,052,654
Additions	-	10,283,626	4,518,909	14,732,663
Disposals	-	(7,009,745)	(4,112,156)	(13,414,504)
Fair Value Adjustments	2,112,817	3,243,836	(1,561,364)	1,428,885
<b>At 30 June</b>	<b>26,318,320</b>	<b>24,205,503</b>	<b>26,645,087</b>	<b>27,799,698</b>
<b>Disposal on proceeds</b>	<b>-</b>	<b>7,589,795</b>	<b>4,790,714</b>	<b>15,368,310</b>

## 6. Other Receivables

	NIT Local Equity Fund		NIT Global Opportunities Fund	
	2019 Rs	2018 Rs	2019 Rs	2018 Rs
Dividend receivable	989,992	1,210,297	-	-
Other receivables	192,181	165,522	-	4,466,403
Amount due from related party (Note 14(iii))	124,320	532,360	-	-
	<b>1,306,493</b>	<b>1,908,179</b>	<b>-</b>	<b>4,466,403</b>

	NIT North America Fund		NIT Emerging Markets Fund	
	2019 Rs	2018 Rs	2019 Rs	2018 Rs
Receivables from related party - Note 15	-	1,605,825	-	3,669,543

	NIT Global Bond Fund		NIT Global Healthcare Fund	
	2019 Rs	2018 Rs	2019 Rs	2018 Rs
Receivables from related party - Note 15	-	36,956	-	1,592,454

## 7. Cash and Cash Equivalents

	NIT Local Equity Fund		NIT Global Opportunities Fund	
	2019 Rs	2018 Rs	2019 Rs	2018 Rs
Cash at bank	<b>38,144,777</b>	21,603,881	<b>15,284,014</b>	20,310,259
Cash balances held by Custodian	<b>8,843,679</b>	9,871,284	<b>78,163,420</b>	52,650,490
Cash and cash equivalents	<b>46,988,456</b>	31,475,165	<b>93,447,434</b>	72,960,749

	NIT North America Fund		NIT Europe Fund	
	2019 Rs	2018 Rs	2019 Rs	2018 Rs
Cash at bank	<b>14,946,419</b>	8,389,285	<b>2,648,679</b>	6,094,275

	NIT Emerging Markets Fund		NIT Global Bond Fund	
	2019 Rs	2018 Rs	2019 Rs	2018 Rs
Cash at bank	<b>21,280,808</b>	8,751,281	<b>3,630,085</b>	868,478

	NIT Global Healthcare Fund		NIT Global Value Fund	
	2019 Rs	2018 Rs	2019 Rs	2018 Rs
Cash at bank	<b>3,860,037</b>	2,448,081	<b>9,167,669</b>	8,765,104

## 8. Other Payables

	NIT Local Equity Fund		NIT Global Opportunities Fund	
	2019 Rs	2018 Rs	2019 Rs	2018 Rs
Amount due to related parties (Note 15)	<b>1,094,323</b>	1,249,706	<b>4,532,694</b>	335,327
Accruals	<b>300,450</b>	300,450	<b>289,000</b>	289,000
	<b>1,394,773</b>	1,550,156	<b>4,821,694</b>	624,327

	NIT North America Fund		NIT Europe Fund	
	2019 Rs	2018 Rs	2019 Rs	2018 Rs
Payable to related parties (Note 15)	<b>88,358</b>	3 6,504	<b>2,835,050</b>	382,479
Accruals	<b>73,000</b>	7 3,000	<b>73,000</b>	73,000
	<b>1 61,358</b>	109,504	<b>2,908,050</b>	455,479

	NIT Emerging Markets Fund		NIT Global Bond Fund	
	2019 Rs	2018 Rs	2019 Rs	2018 Rs
Payable to related parties (Note 15)	<b>88,877</b>	38,008	<b>19,631</b>	14,324
Accruals	<b>73,000</b>	73,000	<b>73,000</b>	73,000
	<b>161,877</b>	111,008	<b>92,631</b>	87,324

	NIT Global Healthcare Fund		NIT Global Value Fund	
	2019 Rs	2018 Rs	2019 Rs	2018 Rs
Payable to related parties (Note 15)	67,209	29,324	913,803	442,698
Accruals	73,000	73,000	73,000	73,000
	<b>140,209</b>	<b>102,324</b>	<b>986,803</b>	<b>515,698</b>

## 9. Distribution To Unitholders

	NIT Local Equity Fund	
	2019 Rs	2018 Rs
Final distribution of Rs 0.017 per unit (2017: Rs 0.017)	<b>10,412,654</b>	10,801,833

The Fund has declared as bonus units a total of Rs 10,412,654 (2018:Rs 10,801,833) to unitholders in accordance with the Trust Deed.

## 10. Management Fees

	NIT Local Equity Fund		NIT Global Opportunities Fund	
	2019 Rs	2018 Rs	2019 Rs	2018 Rs
<b>Fees payable to:</b> National Investment Trust Ltd (Note 15)	<b>5,655,874</b>	6,119,219	<b>4,765,420</b>	4,184,193

## 11. Trustee Fees

Trustee's fees payable to SBM Fund Services Ltd are at a flat rate of Rs 150,000 annually for NIT Local Equity & NIT Global Opportunities. The fees are payable half yearly in arrears.

As for the other funds, the amount paid during the financial year amounted to Rs, 60,000 each.

## 12. Interest Expenses

The amount due to the Manager is unsecured, carries interest at the rate of 1.5% and repayable on call. Effective January 2018, no interest was charged on amount due to the Manager as the interest was waived by the Manager's Board of Directors.

	NIT Global Opportunities Fund	
	2019 Rs	2018 Rs
<b>Finance charges</b> Interest on amount due to related party (Note 12(iv))	-	73,484

## 13. Taxation

### Income tax

Income tax has been charged on the net income of the Funds, as adjusted for tax purposes, at the rate of 15% (2018:15%). The Funds are also subject to Corporate Social Responsibility Tax ("CSR") on their chargeable income of the preceding year.

	NIT Local Equity Fund	
	2019 Rs	2018 Rs
<b>Balance at 1 July</b>	<b>19,710</b>	(29,713)
Charge for the year	<b>74,232</b>	30,664
Net refund/(payment)	<b>(37,710)</b>	18,759
<b>Tax liability at 30 June</b>	<b>56,232</b>	19,710

(i) Tax reconciliation	2019 Rs	2018 Rs
<b>Net income before taxation</b>	<b>10,486,886</b>	10,832,497
Tax at 15%	<b>1,573,033</b>	1,624,875
<b>Tax effects of:</b>		
Exempt income	<b>(2,445,167)</b>	(2,710,826)
Expenses attributable to exempt income	<b>939,969</b>	1,053,587
Income not subject to tax	<b>3,197</b>	56,364
Under provision in previous year	-	6,664
Corporate Social Responsibility Tax	<b>3,200</b>	755
<b>Tax charge</b>	<b>74,232</b>	30,664

## (ii) Deferred tax liabilities

The Fund had no deferred tax asset/liability at 30 June 2019 (2018: Nil).

## All other Funds

Net income of the Funds, as adjusted for tax purposes is subject to income tax at the rate of 15 %. Given the Funds' profiles, no income tax have been paid since inception and, it is most unlikely that any will become payable in the foreseeable future.

Accordingly, no tax reconciliation has been disclosed as the Funds are not subject to any income tax for the year ended 30 June 2019 (2018: Nil).

## 14. Units

### NIT Local Equity Fund

(a) Movements in units during	2019		2018	
	Units	Rs	Units	Rs
Net assets attributable to unitholders at 1 July	<b>640,950,964</b>	<b>582,140,215</b>	666,894,582	571,333,954
Units created	<b>283,725</b>	<b>246,466</b>	1,123,516	1,026,865
Distribution	<b>12,136,891</b>	<b>10,754,499</b>	12,577,630	11,327,413
Units liquidated	<b>(7,034,503)</b>	<b>(6,065,308)</b>	(39,644,764)	(36,244,456)
Total comprehensive income	-	<b>(55,515,492)</b>	-	34,696,439
<b>Net assets attributable to unitholders at 30 June</b>	<b>646,337,077</b>	<b>531,560,380</b>	640,950,964	582,140,215
<b>(b) Net asset value per unit</b>				
Ex-div	<b>0.82</b>		0.91	
<b>(c) Prices per unit at valuation date</b>				
Issue price	<b>0.84</b>		0.93	
Repurchase price	<b>0.83</b>		0.92	

### NIT Global Opportunities Fund

#### (a) Movements in units during

	2019		2018	
	Units	Rs	Units	Rs
Net assets attributable to unitholders at 1 July	2 98,299,275	398,980,040	286,612,826	344,115,047
Units created	536,184	700,628	27,794,305	37,715,893
Units liquidated	(3,029,930)	(3,855,501)	(16,107,856)	(21,816,376)
Total comprehensive income	-	(3,061,193)	-	38,965,476
<b>Net assets attributable to unitholders at 30 June</b>	<b>295,805,529</b>	<b>392,763,974</b>	298,299,275	398,980,040

#### (b) Net asset value per unit

	2019 Rs	2018 Rs
Ex-div	1.33	1.34

#### (c) Prices per unit at valuation date

	2019	2018
Issue price	1.36	1.37
Repurchase price	1.32	1.33

### NIT North America Fund

#### (a) Movements in units during

	2019		2018	
	Units	Rs	Units	Rs
Net assets attributable to unitholders at 30 June	2,683,515	34,932,187	2,532,145	29,193,806
Units created	6,640	9 3,000	153,370	2,045,000
Units liquidated	-	-	(2,000)	(24,840)
Total comprehensive income	-	2,761,909	-	3,718,221
<b>2,690,155</b>	<b>37,787,096</b>	2,683,515	34,932,187	

#### (b) Net asset value per unit

	2019 Rs	2018 Rs
	14.05	13.02

#### (c) Prices per unit at valuation date

	2019	2018
Issue price	14.40	13.35
Repurchase price	14.04	13.01

### NIT Europe Fund

#### (a) Movements in units during

	2019		2018	
	Units	Rs	Units	Rs
Net assets attributable to unitholders at 30 June	1,859,131	20,059,827	1,873,189	19,745,416
Units created	7,317	7 6,000	4,556	51,000
Units liquidated	(228,961)	(2,267,026)	(18,614)	(202,791)
Total comprehensive income	-	(91,382)	-	466,202
<b>1,637,487</b>	<b>17,777,419</b>	1,859,131	20,059,827	

#### (b) Net asset value per unit

	2019 Rs	2018 Rs
	10.86	10.79

#### (c) Prices per unit at valuation date

	2019	2018
Issue price	11.19	11.09
Repurchase price	10.85	10.79

### NIT Emerging Markets Fund

(a) Movements in units during	2019		2018	
	Units	Rs	Units	Rs
Net assets attributable to unitholders at 30 June	3,094,996	36,577,791	2,783,176	31,229,559
Units created	10,647	124,500	365,438	4,498,000
Units liquidated	(8,961)	(102,922)	(53,618)	(645,803)
Increase in net assets attributable to unitholders		293,866	-	1,496,035
	<b>3,096,682</b>	<b>36,893,235</b>	3,094,996	36,577,791

(b) Net asset value per unit	2019 Rs	2018 Rs
	11.91	11.81

(c) Prices per unit at valuation date	2019	2018
Issue price	12.20	12.10
Repurchase price	11.91	11.81

### NIT Global Bond Fund

(a) Movements in units during	2019		2018	
	Units	Rs	Units	Rs
Net assets attributable to unitholders at 30 June	1,735,859	16,050,410	1,730,157	16,509,376
Units created	4,076	39,000	5,702	55,002
Increase/ (decrease) in net assets attributable to unitholders	-	1,208,869	-	(513,055)
	<b>1,739,935</b>	<b>17,298,279</b>	1,735,859	16,051,323

(b) Net asset value per unit	2019 Rs	2018 Rs
	9.94	9.25

(c) Prices per unit at valuation date	2019	2018
Issue price	10.19	9.48
Repurchase price	9.94	9.25

### NIT Global Healthcare Fund

(a) Movements in units during	2019		2018	
	Units	Rs	Units	Rs
Net assets attributable to unitholders at 01 July	2,351,529	28,143,714	1,705,061	17,737,992
Units created	18,196	229,000	648,768	7,055,500
Units liquidated	-	-	(2,300)	(24,679)
Increase in net assets attributable to unitholders	-	1,665,434	-	3,374,901
Net assets attributable to unitholders at 30 June	<b>2,369,725</b>	<b>30,038,148</b>	2,351,529	28,143,714

(b) Net asset value per unit	2019 Rs	2018 Rs
	12.68	11.96

(c) Prices per unit at valuation date	2019	2018
Issue price	12.47	12.27
Repurchase price	12.67	11.96

### NIT Global Value Fund

(a) Movements in units during	2019		2018	
	Units	Rs	Units	Rs
Net assets attributable to unitholders at 30 June	2,865,175	36,053,775	2,407,856	27,353,424
Units created	3,206	3 9,000	461,941	5,812,938
Units liquidated	-	-	(4,622)	(58,547)
(Decrease)/increase in net assets		(1,266,822)		2,945,960
	<b>2,868,381</b>	<b>34,825,953</b>	2,865,175	36,053,775

(b) Net asset value per unit	2019 Rs	2018 Rs
	12.14	12.58

(c) Prices per unit at valuation date	2019	2018
Issue price	12.47	12.92
Repurchase price	12.14	12.58

## 15. Related Party Transactions

Related parties are individual and companies where the individual and company, directly or indirectly has the ability to control the other party and exercise significant influence over the other party in making financial and operational decisions.

During the year ended 30 June 2019 and 2018, the Funds transacted with related parties. Details of the nature, volume of transactions and balances with the entities are shown below:

### Local Equity Fund

	2019 Rs	2018 Rs
<b>Outstanding balances</b>		
National Investment Trust Ltd (Manager)		
(i) Amounts payable (Note 8)	1,094,323	1,249,706
(ii) Equity Investment (Note 16)	9,687,600	9,246,300
<b>Funds incorporated under NIT UNIT TRUST</b>		
(iii) Amount receivable (Note 6)	124,320	532,360
<b>Transactions</b>		
National Investment Trust Ltd (Note 10)		
(iv) Management fees	5,655,874	6,119,219
(v) Purchase of shares	245,000	-
<b>Trustee's fees to SBM Fund Services Ltd (Note 11)</b>	<b>150,000</b>	150,000
(vii) Custodian fees	521,651	603,432

	NIT Global Opportunities Fund		NIT North America Fund	
	2019 Rs	2018 Rs	2019 Rs	2018 Rs
<b>Outstanding balances</b>				
(i) National Investment Trust Ltd (Manager) (Payable) to / receivable from related party	<b>(4,458,074)</b>	4,466,403	<b>(79,959)</b>	1,605,825
<b>(ii) Funds incorporated under NIT Unit Trust</b>				
Payable to related parties	<b>(74,620)</b>	(335,327)	<b>(8,399)</b>	36,504
<b>Transactions</b>				
National Investment Trust Ltd				
Management fees	<b>4,765,420</b>	4,184,193	<b>3 55,458</b>	310,099
(iv) Interest expense (Note 12)	-	73,484	-	-
<b>SBM Custody Securities Services Ltd</b>				
(v) Custodian fees	<b>578,519</b>	480,777	<b>57,281</b>	42,318
<b>SBM Fund Services Ltd</b>				
(vi) Trustee fees	<b>150,000</b>	150,000	<b>60,000</b>	60,000

**Notes:**

- (i) The amount due to and from National Investment Trust Ltd are unsecured, repayable on call and does not bear any interest. (2018: 1.5% per annum).
- (ii) The amount due to and from the Funds incorporated under NIT UNIT TRUST are unsecured, interest free and with no fixed form of repayment
- (iii) The amount due to and from related parties are unsecured, interest free and with no fixed term of repayment.

	NIT Europe Fund		NIT Emerging Markets Fund	
	2019 Rs	2018 Rs	2019 Rs	2018 Rs
<b>Outstanding balances</b>				
National Investment Trust Ltd (Manager) (i) (Payable) to / receivable from related party	<b>2,825,962</b>	355,411	<b>(80,146)</b>	3,669,543
<b>Funds incorporated under NIT Unit Trust</b>				
(ii) Payable to related parties	<b>9,088</b>	27,068	<b>(8,731)</b>	(38,008)
<b>Transactions</b>				
National Investment Trust Ltd				
(iii) Management fees	<b>181, 551</b>	202,517	<b>355,136</b>	339,420
<b>SBM Custody Securities Services Ltd</b>				
(iv) Custodian fees	<b>44,869</b>	47,334	<b>51,564</b>	60,744
<b>SBM Fund Services Ltd</b>				
(v) Trustee fees	<b>60,000</b>	60,000	<b>60,000</b>	60,000

**Note:**

- (ii) The amount due to and from related parties are unsecured, interest free and with no fixed term of repayment.



## NIT Global Bond Fund

	2019 Rs	2018 Rs
<b>Outstanding balances</b>		
National Investment Trust Ltd (Manager)		
(i) (Payable) to / receivable from related party	(14,319)	36,956
<b>Funds incorporated under NIT UNIT TRUST</b>		
(ii) Payable to related parties	(5,312)	(14,324)
<b>Transactions</b>		
National Investment Trust Ltd		
(iii) Management fees	97,238	96,943
<b>SBM Custody Securities Services Ltd</b>		
(iv) Custodian fees	34,896	32,907
<b>SBM Fund Services Ltd</b>		
(v) Trustee fees	60,000	60,000

### Note:

(ii) The amount due to and from the related parties are unsecured, interest free and with no fixed term of repayment.

	NIT Global Healthcare Fund		NIT Global Value Fund	
	2019 Rs	2018 Rs	2019 Rs	2018 Rs
<b>Outstanding balances</b>				
(i) National Investment Trust Ltd (Manager)				
(Payable to)/ receivable related parties	(61,411)	1,592,454	901,631	390,893
<b>Funds incorporated under NIT Unit Trust</b>				
(ii) Payable to related parties	(5,798)	(29,324)	12,172	51,805
<b>National Investment Trust Ltd</b>				
(ii) Investment made into the Fund	-	5,000,000	-	3,674,498
<b>Transactions</b>				
National Investment Trust Ltd				
(iii) Management fees	284,065	215,928	339,738	326,353
<b>SBM Custody Securities Services Ltd</b>				
(iv) Custodian fees	54,808	53,476	65,573	66,418
<b>SBM Fund Services Ltd</b>				
(v) Trustee fees	60,000	60,000	60,000	60,000

### Notes:

(i) The amount due to and from the National Investment Trust Ltd are unsecured, interest free and with no fixed term of repayment.

The amount due to related parties for NIT Global Value Fund are unsecured, interest free and with no fixed term of repayment

(ii) The amount due to the Funds incorporated under NIT UNIT TRUST are unsecured, interest free and with no fixed term of repayment.

## 16. Schedules of investments

### NIT Local Equity Fund

	Fair value 2019 Rs	Portfolio 2019 %	Fair value 2018 Rs	Portfolio 2018 %
<b>Bank, Insurance &amp; Finance</b>				
<i>Official List</i>				
The Mauritius Commercial Bank Ltd	114,643,410	23.15	129,441,240	23.07
State Bank of Mauritius Ltd	95,302,661	19.25	99,534,562	17.74
CIM Financial Services Ltd	11,521,062	2.33	16,096,569	2.87
Mauritian Eagle Insurance Co Ltd	6,149,059	1.24	5,034,624	0.90
Swan Insurance Co. Ltd	-	-	3,338,103	0.59
	227,616,192	45.97	253,445,099	45.17
<b>Leisure &amp; Tourism</b>				
<i>Official List</i>				
New Mauritius Hotels Limited (Equity)	44,196,762	8.93	62,764,632	11.19
New Mauritius Hotels Limited (Debt)	10,065,451	2.03	11,058,455	1.97
Sun Resorts Limited	28,890,190	5.83	42,097,134	7.50
Lux Island Ltd	13,919,072	2.81	17,158,856	3.06
Lottotech Ltd	952,034	0.19	1,021,387	0.18
	98,023,509	19.79	134,100,464	23.90
<b>Conglomerate</b>				
<i>Official List</i>				
Ireland Blyth Ltd	55,589,436	11.23	51,368,757	9.15
Rogers and Company Ltd	22,923,834	4.63	20,895,720	3.72
	78,513,270	15.86	72,264,477	12.87
<b>Sugar Industry</b>				
<i>Official List</i>				
Omnicanne Limited	9,071,130	1.83	13,606,695	2.42
ENL Land Ltd	12,476,098	2.52	12,561,736	2.24
Alteo Ltd	5,299,357	1.07	7,216,146	1.29
Terra Ltd (Harel Freres Ltd)	2,838,843	0.57	3,548,554	0.63
<b>Development &amp; Enterprises Market</b>				
Société de Développement Industriel et Agricole Ltée	12,368	-	12,368	-
	29,697,796	5.99	36,945,499	6.58
<b>Manufacturing &amp; Industrial</b>				
<i>Official List</i>				
United Basalt Products Limited	14,555,625	2.94	13,917,950	2.48
Mauritius Oil Refineries Limited	5,510,451	1.11	6,088,401	1.09
<b>Development &amp; Enterprises Market</b>				
Chemco Ltd	-	-	1,850	-
	20,066,076	4.05	20,008,201	3.57
<b>Food &amp; Beverages</b>				
<i>Official List</i>				
Innodis Limited	3,960,160	0.80	4,452,340	0.79
Phoenix Beverages Ltd	-	-	8,069,400	1.44
<b>Development &amp; Enterprises Market</b>				
Les Moulins de la Concorde Ltee	191,700	0.04	196,200	0.03
	4,151,860	0.84	12,717,940	2.26
<b>Investments</b>				
<i>Official List</i>				
National Investment Trust Limited	9,687,600	1.96	9,246,300	1.65

Local Equity Fund	Fair value 2019 Rs	Portfolio 2019 %	Fair value 2018 Rs	Portfolio 2018 %
Ciel Ltd	1,871,730	0.38	2,468,200	0.44
<b>Development &amp; Enterprises Market</b>				
Phoenix Investment	1,349,040	0.27	1,454,160	0.26
Excelsior United Development Companies	324	-	545	-
	12,908,694	2.61	13,169,205	2.35
<b>Commerce</b>				
Official List				
Vivo Energy Mauritius Limited (Shell Mauritius Limited)	4,279,226	0.86	3,796,702	0.68
<b>Property and Construction</b>				
Gamma Civic Ltd	6,734,000	1.36	7,025,200	1.25
Bluelife Ltd	299,195	0.06	336,908	0.06
<b>Development &amp; Enterprises Market</b>				
Covifra Ltée	467,460	0.09	447,426	0.08
Ascencia Property Fund (Equity)	5,529,224	1.12	4,900,578	0.87
Ascencia Property Fund (Debt)	1,041,261	0.21	934,465	0.17
Ascencia Property Fund (Bonds)	1,028,315	0.21	1,036,406	0.18
Lavastone Ltd	4,773,012	0.96	-	-
	19,872,467	4.01	14,680,983	2.62
	495,129,090	100	561,128,570	100

#### NIT Global Opportunities Fund

Equities	Holdings 2019	Fair Value 2019 USD	Fair Value 2019 Rs	% of Fund 2019	Holdings 2018
America					
Blackrock Global World Energy	37,680	625,112	22,035,195	7.25	37,680
Vontobel U.S. Value Equity	383	542,538	19,124,456	6.29	384
JP Morgan U.S. Dynamic	-	-	-	-	1,893
Alger American Asset Growth	5,796	447,334	15,768,536	5.18	5,797
Fidelity Global Health Care	4,801	161,019	5,675,921	1.87	4,802
Henderson Technology	2,871	265,139	9,346,152	3.07	2,870
ETF Israel Technology	6,323	246,281	8,681,400	2.85	6,323
Sony Corp	1,450	7 5,966	2,677,784	0.88	1450
JP Morgan Chase	590	6 5,962	2,325,161	0.76	590
Bristol-Myers Squibb Co	1,300	5 8,955	2,078,164	0.68	1,300
Merck	1,020	85,527	3,014,826	0.99	1,020
Gilead	-	-	-	-	870
Voyager Therapeutics	-	-	-	-	3,000
Loxo Oncology	-	-	-	-	360
Clovis Oncology	-	-	-	-	1,250
Microsoft	910	121,904	4,297,102	1.41	910
Alibaba	440	7 4,558	2,628,170	0.86	440
Tencent	2,420	109,528	3,860,903	1.27	1,850
NVIDIA	-	-	-	0.00	480
Netflix	300	110,196	3,884,408	1.28	180
JD.com	-	-	-	0.00	1,600
Xilinx	530	62,498	2,203,040	0.72	880
Intel	1,450	69,412	2,446,755	0.80	1,450
Abbvie Inc	-	-	-	-	650
American Airlines	-	-	-	-	1,100
Blackstone Group	1,900	84,398	2,975,030	0.98	1,900
Goldman Sachs	350	71,610	2,524,253	0.83	350

NIT Global Opportunities Fund

Equities	Holdings 2019	USD	Fair Value 2019 Rs	% of Fund 2019	Holdings 2018
Halliburton	-	-	-	-	2,229
Chesapeake Energy	33,000	64,350	2,268,338	0.75	16,200
Boeing	200	7 2,802	2,566,271	0.84	325
The Walt Disney Company	600	83,784	2,953,386	0.97	-
Invesco Quality Municipal Income Trust	2,700	55,754	1,965,364	0.65	-
Alcon Inc		3,554,627	125,300,614	41.20%	
Johnson & Johnson	400	55,712	1,963,848	0.65	400
Google	80	86,624	3,053,496	1.00	80
General Electric	8,511	89,366	3,150,134	1.04	8,511
General Motors	2,800	107,884	3,802,911	1.25	2,800
Amazon (AMZN)	60	113,618	4,005,027	1.32	60
Facebook	430	8 2,990	2,925,398	0.96	-
Nokia Corporation	13,000	65,130	2,295,833	0.75	-
Wabtec Corporation	45	3,229	113,829	0.04	-
Alnylam Pharmaceuticals Inc	850	61,676	2,174,079	0.71	-
Alcon Inc	200	12,410	437,453	0.14	-
Guinness Global Energy	9,633	66,640	2,349,094	0.77	9,633
		745,279	26,271,102	8.63	
		4,299,906	151,571,716	49.83	
<b>Equities: Europe</b>					
BL Equities Europe	45	405,707	14,301,175	4.70	45
Oyster European Opportunities	496	234,939	8,281,616	2.72	496
Fidelity European	10,852	214,798	7,571,647	2.49	10,852
BL Equities Dividend	1,509	321,502	11,332,946	3.73	1,510
Franklin European	11,427	310,376	10,940,754	3.60	11,427
Vanguard Investment European Stock Index	9,191	213,943	7,541,491	2.48	9,191
Deutsche Bank	8,000	61,040	2,151,660	0.71	8,000
EADS ADR	3,500	123,760	4,362,540	1.43	3,500
Safran	680	100,040	3,526,394	1.16	680
Auris Europe	461	152,501	5,375,667	1.77	-
Marks & Spencer	-	-	-	-	8,500
Ryanair	5,000	63,315	2,231,854	0.73	2,400
Genel Energy	30,000	72,954	2,571,629	0.85	30,000
Glencore International Plc	18,000	61,996	2,185,351	0.72	18,000
AstraZeneca	1,200	97,343	3,431,325	1.13	700
		2,434,214	85,806,049	28.22	
<b>Equities - Europe</b>					
Novartis	1,000	91,310	3,218,678	1.06	700
Ocado Group Plc	4,300	63,228	2,228,789	0.73	
Rolls Royce Group	7,700	81,536	2,874,130	0.95	7,700
BT Group PLC	1 0,495	25,979	915,770	0.30	10,495
Banco Santander SA ADR	-	-	-	-	9,800
Mediobanca	6,700	69,048	2,433,925	0.80	6,700
Royal Bank of Scotland	25,000	69,237	2,440,604	0.80	25,000
BHP Billiton Plc	1,065	61,887	2,181,522	0.72	1,065
BHP Billiton Plc - London	2,250	57,125	2,013,665	0.66	2,250
BP	1,499	62,508	2,203,418	0.72	1,499
FCP OP Biohealth	470	277,008	9,764,533	3.21	470
		858,866	30,275,033	9.95	
		3,293,080	116,081,082	38.17	

### NIT Global Opportunities Fund

Emerging Markets & Asia	Holdings 2019	USD	Fair Value 2019 Rs	% of Fund 2019	Holdings 2018
Aberdeen Global Asia Pacific	-	-	-	-	4,076
BI New markets Equities	755	99,367	3,502,674	1.15	755
Franklin Templeton Investment India	7,336	281,372	9,918,363	3.26	7,337
JP Morgan Russia	-	-	-	-	28,762
Franklin Templeton Emerging Markets	2,642	108,930	3,839,783	1.26	2,642
GAM Japan	390	65,632	2,313,528	0.76	391
Ping An Insurance (Group) Company of	3,800	91,314	3,218,818	1.06	-
East Capital (LUX) Eastern European	1,919	158,884	5,600,686	1.84	1,919
Blackrock Asian Leaders	10,422	191,244	6,741,340	2.22	-
		<b>996,743</b>	<b>35,135,192</b>	<b>11.55</b>	
<b>Property</b>					
UBSWM Glob Pty US	4,414	38,305	1,350,244	0.44	4,414
<b>Total Overseas Investments</b>		<b>8,628,034</b>	<b>304,138,234</b>	<b>100.00</b>	

### NIT North America Fund

Equities	Holdings 2019	USD	Fair Value 2019 Rs	% of Fund 2019	Holdings 2018
Vontobel U.S	197	279,293	9,845,087	43%	198
Alger American	1,750	135,066	4,761,066	21%	1,750
JP Morgan U.S	-	-	-	-	562
Pioneer U.S	220	65,650	2,314,164	10%	221
Blackrock U.S	2,996	106,777	3,763,889	16%	2,997
BL America	8	65,754	2,317,829	10%	8
		<b>652,540</b>	<b>23,002,035</b>	<b>100%</b>	

### NIT Europe Fund

Equities	Holdings 2019	Euro	Fair Value 2019 Rs	% of Fund 2019	Holdings 2018
Fidelity European	4,900	96,985	3,418,705	18.95	4,900
Oyster European	175	82,864	2,920,941	16.19	175
BL Equities Europe	14	126,080	4,444,317	24.64	14
MainFirst Europe	491	53,642	1,890,882	10.48	491
Schroder Europe Special	248	54,141	1,908,467	10.58	64
BlackRock European	2,134	47,027	1,657,703	9.19	2,134
Auris Europe	154	50,943	1,795,775	9.96	
		<b>511,682</b>	<b>18,036,790</b>	<b>100</b>	

### NIT Emerging Markets Fund

Equities	Holdings 2019	USD	Fair Value 2019 Rs	% of Fund 2019	Holdings 2018
Aberdeen Asia Pacific	-	-	-	-	2,000
BL Asia	-	-	-	-	776
Baring Asean Frontier	326	75,084	2,646,713	16.78	295
BI New Markets	295	38,825	1,368,596	8.68	281
Fidelity Emerging Markets	281	41,703	1,470,033	9.32	3,795
Invesco Asia	3,794	62,373	2,198,663	13.94	388
BL Emerging Markets	388	39,754	1,401,331	8.88	4,152
JP Morgan Brazil	-	-	-	-	1,368
Blackrock Asian Leaders	4,169	76,501	2,696,668	17.10	-
East Capital East Europe	1,368	113,257	3,992,300	25.31	2,980
Total investment at fair value through profit or loss		<b>447,497</b>	<b>15,774,304</b>	<b>100</b>	

### NIT Global Bond Fund

Equities	Holdings 2019	USD	Fair Value 2019 Rs	% of Fund 2019	Holdings 2018
Blackrock Fixed Income	6,243	90,524	3,190,971	23	6,244
Goldman Sachs Global Income	-	-	-	-	728
Legg Mason Global Bond	753	102,137	3,600,329	26	753
BL Global Bond	272	79,234	2,792,999	20	272
Worldwide Investors Portfolio Emerging					
Emerging Markets Fixed Income	2,720	118,483	4,176,526	30	2,720
		<b>390,378</b>	<b>13,760,825</b>	<b>100</b>	

### NIT Global Healthcare Fund

Equities	Holdings 2019	USD	Fair Value 2019 Rs	% of Fund 2019	Holdings 2018
Fidelity Health Care	4,215	141,371	4,983,327	19	4,215
FCP OP BioHealth	425	250,486	8,829,631	34	425
Polar Capital Hcare	4,642	219,083	7,722,676	29	4,642
Janus Life Sciences	3,891	135,679	4,782,685	18	3,891
		<b>746,619</b>	<b>24,205,503</b>	<b>100</b>	

### NIT Global Value Fund

Equities	Holdings 2019	USD	Fair Value 2019 Rs	% of Fund 2019	Holdings 2018
Henderson Global Technology	1,525	140,835	4,964,430	18.63	1525
Blackrock World Energy	5,250	87,097	3,070,171	11.52	5250
Guinness Global Energy	11,425	79,038	2,786,089	10.46	11425
Blackrock Asian Leaders	5,583	102,448	3,611,293	13.55	1,897
General Motors	1,160	44,695	1,575,491	5.91	1160
General Electric	6,000	63,000	2,220,749	8.33	3550
Deutsche Bank	3,650	28,183	993,450	3.73	3650
Invesco Asia	3,550	58,362	2,057,260	7.72	3550
Schroder Europe Special	203	44,317	1,562,171	5.86	203
iShares euro stox banks	3,120	31,730	1,118,482	4.20	3120
ETF Israel Technology	1,897	73,888	2,604,557	9.77	13188
Wabtec	32	2,296	80,944	0.30	-
Goldman Sachs India	-	-	-	-	2,759
JP Morgan Brazil Equity	-	-	-	-	13,188
		<b>755,889</b>	<b>26,645,087</b>	<b>100</b>	

## Proxy Form

I/We

.....  
of

.....  
being a member/s of the above named company, do hereby appoint

.....  
of

.....  
or failing him

.....  
of

.....  
as my/our proxy to vote for me/us and on my/our behalf at the Annual Meeting of the Company to be held at 10:30 hours on Tuesday 17th December 2019 at the Centre social Marie, Reine-de-la-Paix, Port Louis and at any adjournment thereof.

### Resolutions

I/We desire my/our vote(s) to be cast on the Resolutions as follows:

(Please indicate with an X in the spaces below how you wish your votes to be cast)

	For	Against	Abstain
1. To approve the Minutes of Proceedings of the previous meeting of shareholders.			
2. To receive and adopt the financial statements for the financial year ended 30 June 2019 and the report of the Directors and Auditors thereon.			
3. To ratify the dividend declared by the Board of Directors and paid to all shareholders registered at the close of business on 17 October 2019.			
4. To appoint Mr. Raj Ringadoo as director of the Company;			
5. To appoint Mr. Mazahir Adamjee, who is over 70 years of age, as director of the Company;			
6. To appoint Mrs. Anjana Ramburuth-Seesurn as director of the Company;			
7. To appoint Ms. Amélie Vitry Audibert as director of the Company;			
8. To appoint Mr. Veenay Rambarassah as director of the Company;			
9. To reappoint Messrs Mazars as Auditors for the current year and to authorise the Board of Directors to fix their remuneration.			
10. To transact such other business, if any, as may be transacted at Annual Meeting.			

Signed this ..... day of ..... 2019

Signature .....

#### Notes:

1. A Shareholder of the Company entitled to attend and vote at this meeting may appoint a proxy (whether a member or not) to attend and vote on his behalf. A proxy need not be a member of the Company.
2. The instrument appointing a proxy or any general power of attorney shall be deposited at the Registered Office of the Company, Level 8, Newton Tower, Sir William Newton Street, Port Louis not less than twenty-four (24) hours before the meeting and in default, the instrument of proxy shall not be treated as valid.
3. A proxy form is included in this Annual Report and is also available at the registered office of the Company.
4. For the purpose of this Annual Meeting, the Directors have resolved, in compliance with Section 120(3) of the Companies Act 2001, that the shareholders who are entitled to receive notice of the meeting and attend such meeting shall be those shareholders whose names are registered in the share register of the Company as at 22 November 2019.





Our Fund Ad can be as boring as doing your grocery shopping  
But...



A balanced fund investing in equity & fixed securities on the local market

Returns: Variable



A balanced fund investing in equity & fixed securities in the global market.

Returns: Variable



A selection of high-profile North American blue-chips equity fund

S&P 500

Returns: Variable



A selection of the best European equity funds

Eurostoxx 50

Returns: Variable



A selection of emerging markets equity funds

MSCI Emerging Markets

Returns: Variable



A selection of international fixed-income funds

Returns: Stable income growth



A selection of Global Healthcare equity funds & global pharmaceutical, biotechnology, healthcare services, medical technology and life sciences companies

Dow Jones Health Care index

Returns: Variable



Global Equity fund with a "go-anywhere" approach to uncover hidden value around the globe.

Returns: Variable



... Only with National Investment Trust will you feel like you're in a supermarket and choosing the investments you want in your basket.

We are the only company to provide you with a full range of possibilities & offers that allow you to invest in eight different thought-through funds throughout the world.

**Our Funds:** NIT Local Equity, NIT Global Opportunities Fund, NIT North America, NIT Europe Fund, NIT Emerging Markets, NIT Global Bond Fund, NIT Global Healthcare Fund, NIT Global Value Fund.

Disclaimer: The prices of units and income derived from the funds may vary and in certain circumstances, a participant's right to redeem units may be suspended.

Investment  
as from  
Rs. 5000 Only



Address: Level 8, Newton Tower, Sir William Newton Street, Port Louis  
Tel.: (230) 211 5484 Fax: (230) 211 1262 Email: info@nit.mu Web: www.nit.mu